Agenda Order

Tab 7	**SB 204** by **Bradley;** Compare to CS/CS/H 00189 Gaming

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Tab 8	**CS/SB 540** by **BI, Martin;** Similar to CS/H 00381 Office of Financial Regulation

Tab 9	**CS/SB 772** by **BI, Burgess;** Similar to CS/H 00645 Limited Licenses for Portable Electronics or Eyewear Insurance

Tab 10	**CS/SB 1294** by **EN, Bradley;** Similar to CS/H 01245 Biosolids Management

Tab 11	**CS/SB 1474** by **EN, Gaetz;** Similar to CS/H 01285 Biosolids Management

Tab 12	**CS/SB 1504** by **BI, Calatayud;** Similar to CS/H 01343 Insurance Customer Representative Licensing Qualifications

Tab 13	**SB 1708** by **Gaetz;** Similar to H 01509 Veterinary Licensure

The Florida Senate

COMMITTEE MEETING EXPANDED AGENDA

APPROPRIATIONS COMMITTEE ON AGRICULTURE, ENVIRONMENT, AND GENERAL GOVERNMENT
Senator Brodeur, Chair
Senator Berman, Vice Chair

MEETING DATE: Thursday, February 12, 2026
TIME: 4:30—6:00 p.m.
PLACE: *Pat Thomas Committee Room,* 412 Knott Building

MEMBERS: Senator Brodeur, Chair; Senator Berman, Vice Chair; Senators Arrington, DiCeglie, Grall, Massullo, McClain, Pizzo, Rodriguez, Sharief, and Truenow

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	Review and Discussion of Fiscal Year 2026-2027 Budget Issues Relating to: Department of Agriculture and Consumer Services Department of Citrus Department of Environmental Protection Fish and Wildlife Conservation Commission Department of Business and Professional Regulation Department of Financial Services Office of Financial Regulation Offices of Insurance Regulation Florida Gaming Control Commission Department of Lottery Department of Management Services Division of Administrative Hearings Florida Commission of Human Relations Public Employees Relations Commission Public Service Commission Department of Revenue		

TAB	OFFICE and APPOINTMENT (HOME CITY)	FOR TERM ENDING	COMMITTEE ACTION
	Senate Confirmation Hearing: A public hearing will be held for consideration of the below-named executive appointment to the office indicated.		
	Governing Board of the South Florida Water Management District		
4	Spottswood, Robert A., Jr. (Key West)	03/01/2030	
	Governing Board of the Northwest Florida Water Management District		
2	Morgan, Tom (Apalachicola)	03/01/2027	
3	Roberts, George A. (Panama City)	03/01/2030	
	Governing Board of the South Florida Water Management District		
5	Roman, Charlette I. (Marco Island)	03/01/2029	
	Governing Board of the Southwest Florida Water Management District		
6	Aungst, Brian J., Jr. (Clearwater)	03/01/2026	

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
7	**SB 204** Bradley (Compare CS/CS/H 189, H 591, S 1164)	Gaming; Requiring certain organizations, before purchasing, installing, or operating a game or machine on their premises, or that already have a game or machine installed on their premises, and are in doubt about whether such game or machine meets the definition of an amusement game or machine, to petition the Florida Gaming Control Commission for a declaratory statement on whether the operation of such game or machine is authorized or prohibited; prohibiting such organizations from purchasing or installing a game or machine until such declaratory statement is issued; providing criminal penalties for specified offenses relating to the manufacture, possession, and sale of slot machines or devices, etc. RI 01/27/2026 Favorable AEG 02/12/2026 RC	
8	**CS/SB 540** Banking and Insurance / Martin (Similar CS/H 381, Compare H 777, Linked CS/S 1440)	Office of Financial Regulation; Requiring loan originators, mortgage brokers, and mortgage lenders to develop, implement, and maintain comprehensive written information security programs for the protection of information systems and nonpublic personal information; providing requirements for such programs; providing additional acts that constitute a ground for specified disciplinary actions against loan originators and mortgage brokers; requiring money services businesses to develop, implement, and maintain comprehensive written information security programs for the protection of information systems and nonpublic personal information; requiring financial institutions to take measures to protect and secure certain data that contain personal information; providing requirements for notices of security breaches to the office, the Department of Legal Affairs, certain individuals, and certain credit reporting agencies, etc. BI 01/13/2026 Fav/CS AEG 02/12/2026 RC	
9	**CS/SB 772** Banking and Insurance / Burgess (Similar CS/H 645)	Limited Licenses for Portable Electronics or Eyewear Insurance; Renaming “portable electronics insurance” as “portable electronics or eyewear insurance” to include eyewear for purposes of insurance coverage and licenses; defining the term “eyewear”; revising the definition of the term “portable electronics”, etc. BI 01/28/2026 Fav/CS AEG 02/12/2026 RC	

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
10	**CS/SB 1294** Environment and Natural Resources / Bradley (Similar CS/H 1245)	Biosolids Management; Prohibiting the land application of bulk Class AA biosolids fertilizer and compost products from exceeding the appropriate agronomic rate; requiring the University of Florida's Institute of Food and Agricultural Sciences to publish and make publicly available recommended agronomic rates for the reuse of bulk Class AA biosolids fertilizer and compost products, based on certain criteria; authorizing bulk Class AA biosolids compost products to be distributed or marketed as soil amendments and land applied if specified requirements are met; requiring that certain bulk Class AA biosolids compost and fertilizer products be land applied only at land application sites approved by the Department of Environmental Protection, etc. EN 01/27/2026 Fav/CS AEG 02/12/2026 RC	
11	**CS/SB 1474** Environment and Natural Resources / Gaetz (Similar CS/H 1285)	Biosolids Management; Prohibiting the Department of Environmental Protection from issuing or renewing a permit for certain biosolids land application sites if there is a permitted wastewater treatment facility that accepts septage for higher levels of treatment and which meets specified requirements, etc. EN 01/27/2026 Fav/CS AEG 02/12/2026 RC	
12	**CS/SB 1504** Banking and Insurance / Calatayud (Similar CS/H 1343)	Insurance Customer Representative Licensing Qualifications; Revising the qualifications for applicants for a license as an insurance customer representative; requiring the Department of Education, in consultation with the Department of Financial Services, to develop a specified insurance and personal finance course no later than a specified date, etc. BI 01/28/2026 Fav/CS AEG 02/12/2026 RC	

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
13	**SB 1708** Gaetz (Similar H 1509)	Veterinary Licensure; Deleting the requirement for an applicant for licensure by endorsement to have held a valid active license to practice veterinary medicine in another state, the District of Columbia, or a territory of the United States for a specified amount of time; requiring applicants to hold a valid, active license in good standing to practice veterinary medicine in another state, the District of Columbia, or a territory of the United States, etc. RI 01/27/2026 Favorable AEG 02/12/2026 RC	

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 Appropriations Committee on Agriculture, Environment, and General Government

BILL:	SB 204
INTRODUCER:	Senator Bradley
SUBJECT:	Gaming
DATE:	February 11, 2026
REVISED:	

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Baird	Imhof	RI	**Favorable**
2.	Davis	Betta	AEG	**Pre-meeting**
3.			RC	

I. Summary:

SB 204 creates a procedure to allow certain veterans' service organizations (VSOs) to petition the Florida Gaming Control Commission (FGCC) for a declaratory statement on whether the operation of the machine meets the definition of an amusement game or machine under Florida law, before installing a game or machine on their premises or if they currently have a machine or game on their premises. The process only applies to VSOs that have been granted a federal charter under Title 36, U.S.C., or to a division, department, post, or chapter of such organization, for which an alcoholic beverage license has been issued.

The bill allows the qualifying VSOs to petition the FGCC before they purchase an amusement game or machine if in doubt about whether the game or machine meets the definition and is authorized under s. 546.10, F.S., and the VSO may also petition the FGCC if there is a game or machine currently on the premises of the VSO. The bill prohibits VSOs from petitioning the FGCC for a declaratory statement if they are the subject of an ongoing criminal investigation or if the game or machine is the subject of an ongoing criminal investigation.

The FGCC must issue a declaratory statement within 60 days after receiving a petition requesting such statement. The FGCC may not deny a petition that is validly requested. The VSOs are not required to request or obtain a declaratory statement to operate if lawful under s. 546.10, F.S.

The bill also defines the following terms:

- "Ownership interest" to mean a person who is an officer, a director, or a managing member of any business, establishment, premises, or other location; and
- "Person of authority" to mean a person who at any business, establishment, premises, or other location at which a slot machine or device is offered to play has:
  - Actual authority to act on behalf of the business, establishment, premises, or other location; or
  - Any ownership interest in the business, establishment, premises or other location.

The bill elevates the penalty for a person of authority at the time of the violation to a felony of the third degree for violations of s. 849.15, F.S.

In addition, the bill provides a legal "safe harbor" for all shipments of legal gaming devices, including legal slot machines, to Indian lands located within this state. The shipments are to be deemed legal shipments, provided that such Indian lands are held in federal trust for the benefit of a federally recognized Indian tribe that is a party to a tribal-state compact with the state pursuant to the Indian Gaming Regulatory Act of 1988 (IGRA).

The bill has an indeterminate fiscal impact to state government. See Section V., Fiscal Impact Statement.

The bill provides an effective date of July 1, 2026.

II. Present Situation:

Background

In general, gambling is illegal in Florida.[1] Chapter 849, F.S., prohibits keeping a gambling house,[2] running a lottery,[3] or the manufacture, sale, lease, play, or possession of slot machines.[4] However, the following gaming activities are authorized by law and regulated by the state:

- Pari-mutuel[5] wagering at licensed greyhound and horse tracks and jai alai facilities;[6]
- Slot machine gaming at certain licensed pari-mutuel locations in Miami-Dade County and Broward County;[7]
- Cardrooms[8] at certain pari-mutuel facilities;[9]
- The state lottery authorized by section 15 of Article X of the State Constitution and established under ch. 24, F.S.;[10]
- Skill-based amusement games and machines at specified locations as authorized by s. 546.10, F.S, the Family Amusement Games Act (the Act);[11] and

[1] *See* s. 849.08, F.S.
[2] *See* s. 849.01, F.S.
[3] *See* s. 849.09, F.S.
[4] *See* s. 849.16, F.S.
[5] Section 550.002(22), F.S., defines "pari-mutuel" as "a system of betting on races or games in which the winners divide the total amount bet, after deducting management expenses and taxes, in proportion to the sums they have wagered individually and with regard to the odds assigned to particular outcomes."
[6] *See* ch. 550, F.S., relating to the regulation of pari-mutuel activities.
[7] *See* FLA. CONST., art. X, s. 23, and ch. 551, F.S.
[8] Section 849.086(2)(c), F.S., defines "cardroom" to mean "a facility where authorized card games are played for money or anything of value and to which the public is invited to participate in such games and charged a fee for participation by the operator of such facility."
[9] *See* The FGCC, *Annual Report Fiscal Year 2023-2024* (Annual Report), at https://flgaming.gov/pmw/annual-reports/docs/2023-2024-FGCC-Annual-Report.pdf (last visited Jan 26, 2026).
[10] Chapter 24, F.S., was enacted by ch. 87-65, Laws of Fla., to establish the state lottery; s. 24.102, F.S., states the legislative purpose and intent for the operations of the state lottery.
[11] *See* s. 546.10, F.S.

- The following activities, if conducted as authorized under ch. 849, F.S., relating to gambling, under specific and limited conditions:
  - Penny-ante games;[12]
  - Bingo;[13]
  - Charitable drawings;[14]
  - Game promotions (sweepstakes);[15] and
  - Bowling tournaments.[16]

A license to offer pari-mutuel wagering, slot machine gambling, or a cardroom at a pari-mutuel facility is a privilege granted by the state.[17]

Prior to 1986, the State Constitution stated that "[l]otteries, other than the types of pari-mutuel pools authorized by law as of the effective date of this constitution . . ." are prohibited.[18] A constitutional amendment approved by the voters in 1986 authorized state-operated lotteries. Net proceeds of the lottery are deposited to the Educational Enhancement Trust Fund (EETF) and appropriated by the Legislature. Lottery operations are self-supporting and function as an entrepreneurial business enterprise.[19]

Enforcement of Gaming Laws and Florida Gaming Control Commission

In 202l, the Legislature updated Florida law for authorized gaming in the state, and for enforcement of the gambling laws and other laws relating to authorized gaming.[20] The Office of Statewide Prosecution in the Department of Legal Affairs is authorized to investigate and prosecute, in addition to gambling offenses, any violation of ch. 24, F.S., (State Lotteries), part II of ch. 285, F.S., (Gaming Compact), ch. 546, F.S., (Amusement Facilities), ch. 550, F.S., (Pari-mutuel Wagering), ch. 551, F.S., (Slot Machines), or ch. 849, F.S., (Gambling), which are referred to the Office of Statewide Prosecution by the Florida Gaming Control Commission (FGCC).[21]

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[12] *See* s. 849.085, F.S.
[13] *See* s. 849.0931, F.S.
[14] *See* s. 849.0935, F.S.
[15] Section 849.094, F.S., authorizes game promotions in connection with the sale of consumer products or services.
[16] *See* s. 849.141, F.S.
[17] Section 550.1625(1), F.S., "…legalized pari-mutuel betting at dog tracks is a privilege and is an operation that requires strict supervision and regulation in the best interests of the state." *See also, Solimena v. State,* 402 So.2d 1240, 1247 (Fla. 3d DCA 1981), *review denied*, 412 So.2d 470, which states "Florida courts have consistently emphasized the special nature of legalized racing, describing it as a privilege rather than as a vested right," citing *State ex rel. Mason v. Rose,* 122 Fla. 413, 165 So. 347 (1936).
[18] The pari-mutuel pools that were authorized by law on the effective date of the State Constitution, as revised in 1968, include horseracing, greyhound racing, and jai alai games. The revision was ratified by the electorate on November 5, 1968.
[19] The Department of the Lottery is authorized by s. 15, Art. X of the State Constitution. Chapter 24, F.S., was enacted by ch. 87-65, Laws of Fla., to establish the state lottery. Section 24.102, F.S., states the legislative purpose and intent for the operations of the state lottery.
[20] *See* ch. 2021-268, Laws of Fla., (Implementation of 2021 Gaming Compact between the Seminole Tribe of Florida and the State of Florida); ch. 2021-269, Laws of Fla., (Gaming Enforcement), ch. 2021-270, Laws of Fla., (Public Records and Public Meetings), and 2021-271, Laws of Fla., (Gaming), as amended by ch. 2022-179, Laws of Fla., (Florida Gaming Control Commission). Conforming amendments are made to the section in ch. 2022-7, Laws of Fla., (Reviser's Bill) and ch. 2023-8, Laws of Fla., (Reviser's Bill).
[21] Section 16.56(1)(a), F.S.

In addition to the enhanced authority of the Office of Statewide Prosecution, the FGCC was created[22] within the Department of Legal Affairs. The FGCC has two divisions, the Division of Gaming Enforcement (DGE), and the Division of Pari-mutuel Wagering (DPMW) which was transferred from the Department of Business and Professional Regulation (DBPR), effective July 1, 2022 (as discussed below).

The FGCC is required to do all of the following:

- Exercise all of the regulatory and executive powers of the state with respect to gambling, including pari-mutuel wagering, cardrooms, slot machine facilities, oversight of gaming compacts executed by the state pursuant to the Federal Indian Gaming Regulatory Act, and any other forms of gambling authorized by the State Constitution or law, excluding state lottery games as authorized by the State Constitution.
- Establish procedures consistent with ch. 120, F.S., the Administrative Procedure Act, to ensure adequate due process in the exercise of the FGCC's regulatory and executive functions.
- Ensure that the laws of this state are not interpreted in any manner that expands the activities authorized in ch. 24, F.S. (State Lotteries), part II of ch. 285, F.S. (Gaming Compact), ch. 546, F.S. (Amusement Facilities), ch. 550, F.S. (Pari-mutuel Wagering), ch. 551, F.S., (Slot Machines), or ch. 849, F.S. (Gambling).
- Review the rules and regulations promulgated by the Seminole Tribal Gaming Commission for the operation of sports betting and propose to the Seminole Tribe Gaming Commission any additional consumer protection measures it deems appropriate. The proposed consumer protection measures may include, but are not limited to, the types of advertising and marketing conducted for sports betting, the types of procedures implemented to prohibit underage persons from engaging in sports betting, and the types of information, materials, and procedures needed to assist patrons with compulsive or addictive gambling problems.
- Evaluate, as the state compliance agency or as the FGCC, information that is reported by sports governing bodies or other parties to the FGCC relating to:
  - Any abnormal betting activity or patterns that may indicate a concern about the integrity of a sports event or events;
  - Any other conduct with the potential to corrupt a betting outcome of a sports event for purposes of financial gain, including, but not limited to, match fixing; suspicious or illegal wagering activities, including the use of funds derived from illegal activity, wagers to conceal or launder funds derived from illegal activity, use of agents to place wagers, or use of false identification; and
  - The use of data deemed unacceptable by the FGCC or the Seminole Tribal Gaming Commission.
- Provide reasonable notice to state and local law enforcement, the Seminole Tribal Gaming Commission, and any appropriate sports governing body of non-proprietary information that may warrant further investigation of nonproprietary information by such entities to ensure the integrity of wagering activities in the state.
- Review any matter within the scope of the jurisdiction of the DPMW.
- Review the regulation of licensees, permitholders, or persons regulated by the DPMW and the procedures used by that division to implement and enforce the law.

[22] Section 16.71, F.S.

- Review the procedures of the DPMW which are used to qualify applicants applying for a license, permit, or registration.
- Receive and review violations reported by a state or local law enforcement agency, the Department of Law Enforcement, the Department of Legal Affairs, the Department of Agriculture and Consumer Services, the DBPR, the Department of the Lottery, the Seminole Tribe of Florida, or any person licensed under ch. 24, F.S. (State Lotteries), part II of ch. 285, F.S. (Gaming Compact), ch. 546, F.S. (Amusement Facilities), ch. 550, F.S. (Pari-mutuel Wagering), ch. 551, F.S., (Slot Machines), or ch. 849, F.S. (Gambling), and determine whether such violation is appropriate for referral to the Office of Statewide Prosecution.
- Refer criminal violations of ch. 24, F.S., (State Lotteries), part II of ch. 285, F.S., (Gaming Compact), ch. 546, F.S., (Amusement Facilities), ch. 550, F.S., (Pari-mutuel Wagering), ch. 551, F.S., (Slot Machines), or ch. 849, F.S., (Gambling) to the appropriate state attorney or to the Office of Statewide Prosecution, as applicable.
- Exercise all other powers and perform any other duties prescribed by the Legislature and adopt rules to implement the above.[23]

Commissioners

As set forth in s. 16.71, F.S., of the five commissioners appointed as members of the FGCC, at least one member must have at least 10 years of experience in law enforcement and criminal investigations, at least one member must be a certified public accountant licensed in this state with at least 10 years of experience in accounting and auditing, and at least one member must be an attorney admitted and authorized to practice law in this state for the preceding 10 years. All members serve four-year terms but may not serve more than 12 years.

Division of Gaming Enforcement

Section 16.711, F.S., sets forth the duties of the DGE within the FGCC.[24] The DGE is a criminal justice agency, as defined in s. 943.045, F.S. The commissioners must appoint a director of the DGE who is qualified by training and experience in law enforcement or security to supervise, direct, coordinate, and administer all activities of the DGE.[25]

The DGE director and all investigators employed by the DGE must meet the requirements for employment and appointment provided by s. 943.13, F.S., and must be certified as law enforcement officers, as defined in s. 943.10(1), F.S. The DGE director and such investigators must be designated law enforcement officers and must have the power to detect, apprehend, and arrest for any alleged violation of ch. 24, F.S., (State Lotteries), part II of ch. 285, F.S., (Gaming Compact), ch. 546, F.S., (Amusement Facilities), ch. 550, F.S., (Pari-mutuel Wagering), ch. 551, F.S., (Slot Machines), or ch. 849, F.S., (Gambling), and any rule adopted pursuant thereto, and any law of this state.[26]

[23] Section 16.712, F.S. The FGCC also administers the Pari-mutuel Wagering Trust Fund. *See* s. 16.71(6), F.S.
[24] For a summary of DGE investigations and actions in Fiscal Year 2022-2023, s*ee* The FGCC, *Annual Report Fiscal Year 2023-2024* at p. 5.
[25] Section 16.711(2), F.S.
[26] Section 16.711(3), F.S.

The law enforcement officers may enter upon any premises at which gaming activities are taking place in the state for the performance of their lawful duties and may take with them any necessary equipment, and such entry does not constitute a trespass. In any instance in which there is reason to believe that a violation has occurred, such officers have the authority, without warrant, to search and inspect any premises where the violation is alleged to have occurred or is occurring.[27]

Further, any officer may, consistent with the United States and Florida Constitutions, seize or take possession of any papers, records, tickets, currency, or other items related to any alleged violation. Investigators employed by the FGCC also have access to, and the right to inspect, premises licensed by the FGCC, to collect taxes and remit them to the officer entitled to them, and to examine the books and records of all persons licensed by the FGCC.[28]

The DGE and its investigators are specifically authorized to seize any contraband in accordance with the Florida Contraband Forfeiture Act. The term "contraband" has the same meaning as the term "contraband article" in s. 932.701(2)(a)2., F.S.[29] The DGE is specifically authorized to store and test any contraband that is seized in accordance with the Florida Contraband Forfeiture Act and may authorize any of its staff to implement this provision. The authority of any other person authorized by law to seize contraband is not limited by these provisions.[30]

Section 16.711(5), F.S., requires the Florida Department of Law Enforcement (FDLE) to provide assistance in obtaining criminal history information relevant to investigations required for honest, secure, and exemplary gaming operations, and such other assistance as may be requested by the FGCC's executive director and agreed to by FDLE's executive director. Any other state agency, including the DBPR and the Department of Revenue, must, upon request, provide the FGCC with any information relevant to any investigation conducted as described above, and the FGCC must reimburse any agency for the actual cost of providing any such assistance.[31]

Veterans' Service Organizations

Veterans' Service Organizations (VSOs) that are granted a federal charter under Title 36, U.S.C., are groups that have been formally recognized by Congress. While recognized federally, these groups are private, non-profit entities that must maintain a specific standard of service and submit an annual report to Congress. Examples of these VSOs are groups like The American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, the American Veterans, and Paralyzed Veterans of America. Some VSOs chose to operate facilities with a valid alcoholic beverage license.

If certain requirements are met, alcohol licenses for VSOs are issued by the Division of Alcoholic Beverages and Tobacco within the DBPR.

[27] *Id*.
[28] *Id*.
[29] Section 16.711(4), F.S.
[30] *Id*.
[31] Section 16.711(5), F.S.

Under Florida law, VSOs operating with alcoholic beverage licenses receive certain gaming privileges; notably, s. 546.10(6)(a), F.S., provides specific exemptions regarding amusement games or machines. These and similar provisions exempt licensed VSOs from certain limitations on amusement machine operations, authorizing them to facilitate gaming activities that support their charitable missions.

Slot Machine or Amusement Machine

At any location other than licensed pari-mutuel facilities[32] and Seminole tribe facilities,[33] it is a violation to "manufacture, own, store, keep, possess, sell, rent, lease, let on shares, lend or give away, transport, or expose for sale or lease, or to offer to sell, rent, lease, let on shares, lend or give away, or permit the operation of any slot machine or device or any part thereof."[34]

The legal community in general has spent decades trying to find the right balance in defining and differentiating a slot machine from an amusement machine. Because of this, amusement games or machines are primarily governed by a tension between the Act and Florida's prohibition on slot machines.

Florida law prohibits slot machines in VSOs but allows certain types of amusement machines or games.

In Florida, a slot machine is defined as a machine or device that:
- Is activated by inserting something of value (money, coin, account number, code, or other object or information);
- Is caused to operate or be operated by a user by application of skill, element of chance, or other outcome that is unpredictable to the user; and
- The user receives or is entitled to receive something of value or additional chances or rights to use the device or machine.[35]

A person who violates the prohibitions[36] against manufacturing, selling, or possessing slot machines or devices commits a:[37]
- Second degree misdemeanor upon a first conviction.[38]
- First degree misdemeanor upon a second conviction.[39]

[32] Section 32 of Art. X of the State Constitution, adopted pursuant to a 2004 initiative petition, authorized slot machines in licensed pari-mutuel facilities in Broward and Miami-Dade counties, if approved by county referendum.
[33] Florida allows only a few operators of slot machines; certain Seminole tribal facilities and eight pari-mutuel facilities located in Miami-Dade and Broward counties. The FGCC, *FAQ's 'Are slot machines legal in Florida?'*, available at https://flgaming.gov/faq/#:~:text=Are%20slot%20machines%20legal%20in,at%20certain%20Indian%20tribal%20facilities, (last visited Jan. 26, 2026).
[34] Section 849.15(1)(a), F.S.
[35] Section 849.16(1), F.S.
[36] Sections 849.15, F.S. though 849.22, F.S.
[37] Section 849.23, F.S.
[38] A second degree misdemeanor is punishable by up to 60 days in county jail and a $500 fine. Sections 775.082 or 775.083, F.S.
[39] A first degree misdemeanor is punishable by up to one year in county jail and a $1,000 fine. Sections 775.082 or 775.083, F.S.

- Third degree felony upon a third or subsequent conviction, and the person is deemed a "common offender."[40]

There is a rebuttable presumption that a device, system, or network is a prohibited slot machine or device if it is used to display images of games of chance and is part of a scheme involving any payment or donation of money or its equivalent and awarding anything of value.[41]

In recent years, legal discussion has existed over slot machine and amusement machine distinctions including the "material element of chance" test; if a machine's outcome can be influenced by factors outside the player's immediate skill – such as a predetermined win/loss ratio or invisible game logic – the device is legally classified as a slot machine under s. 849.16 F.S.[42]

Amusement Games or Machines

In 2015, the Legislature created s. 546.10, F.S., in an attempt to regulate the operation of skill-based amusement games or machines at specified locations to prevent expansion of casino-style gambling in the state.[43] To differentiate between slot machines, which are generally prohibited, and amusement machines there is a lengthy definition of what includes an amusement game or machine and what does not constitute an amusement game or machine.

An "amusement game or machine" is defined in s. 546.10(3)(a), F.S., as:

> …a game or machine operated only for the bona fide entertainment of the general public which a person activates by inserting or using currency or a coin, card, coupon, slug, token, or similar device, and, *by the application of skill, with no material element of chance* inherent in the game or machine, the person playing or operating the game or machine controls the outcome of the game.

The term does not include:

- Any game or machine that uses mechanical slot reels, video depictions of slot machine reels or symbols, or video simulations or video representations of any other casino game, including, but not limited to, any banked or banking card game, poker, bingo, pull-tab, lotto, roulette, or craps.
- A game in which the player does not control the outcome of the game through skill or a game where the outcome is determined by factors not visible, known, or predictable to the player.
- A video poker game or any other game or machine that may be construed as a gambling device under the laws of this state.
- Any game or device defined as a gambling device in 15 U.S.C. s. 1171, unless excluded under 15 U.S.C. s. 1178.

[40] A third degree felony is punishable by up to five years in prison and a $5,000 fine. Sections 775.082, 775.083, or 775.084, F.S.
[41] Section 849.16(3), F.S.
[42] *See Gator Coin II, Inc. v Dep't Bus. & Prof'l Reg.*, 254 So. 3d 114 (Fla. 1st DCA 2018), where the "material element of chance" issue is discussed.
[43] *See* Ch. 2015-93 s. 1, Laws of Fla. (creating s. 546.10(2), F.S., effective July 1, 2015).

Florida law further distinguishes amusement machines or games into three types of machines, Type A, Type B, and Type C. A Type A amusement game or machine is a game or machine that offers no prizes, or any other thing of value other than free replays so long as:

- The amusement game or machine can accumulate and react to no more than 15 such replays;
- The amusement game or machine can be discharged of accumulated replays only by reactivating the game or device for one additional play for each accumulated replay;
- The amusement game or machine cannot make a permanent record, directly or indirectly, of any free replay;
- The amusement game or machine does not entitle the player to receive anything of value other than a free replay;
- An unused free replay may not be exchanged for anything of value, including merchandise or a coupon or a point that may be redeemed for merchandise; and
- The amusement game or machine does not contain any device that awards a credit and contains a circuit, meter, or switch capable of removing and recording the removal of a credit if the award of a credit is dependent upon chance.[44]

A Type B amusement game or machine is a game or machine that, upon activation and game play, entitles or enables a person to receive a coupon or a point that *may be redeemed onsite for merchandise* and the coupon or point:

- Has no value other than for redemption onsite for merchandise;
- The redemption value that a person receives for a single game played does not exceed the maximum value determined under s. 546.10(7), F.S. The maximum value was set at $5.25 in 2016 and is adjusted annually by the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items by the Department of Revenue. The current maximum value is $7.10.[45] However, a player may accumulate coupons or points to redeem onsite for a single item of merchandise that has a wholesale cost of not more than 100 times the maximum value, or for a prize consisting of more than one item, unit, or part, only if the aggregate wholesale cost of all items, units, or parts does not exceed 100 times the maximum value; and
- The redemption value that a person receives for playing multiple games simultaneously or competing against others in a multiplayer game does not exceed the maximum value.[46]

A Type B amusement game or machine may only be operated at:

- A facility as defined in s. 721.05(17), F.S., that is under the control of a timeshare plan;
- A public lodging establishment or public food service establishment licensed pursuant to ch. 509, F.S.;
- The following premises, if the owner or operator of the premises has a current license issued by the DBPR pursuant to chs. 509, 561, 562, 563, 564, 565, 567, or 568, F.S.;
- An arcade amusement center;
- A bowling center, as defined in s. 849.141, F.S.; or
- A truck stop.[47]

[44] Section 546.10(5)(a), F.S.
[45] See https://floridarevenue.com/Forms_library/current/brochure/gt800020.pdf (last visited January 25, 2026).
[46] Section 546.10(5)(b), F.S.
[47] *Id*.

A Type C amusement game or machine is a game or machine that allows the player to manipulate a claw or similar device within an enclosure that entitles or enables a person to receive merchandise directly from the game or machine, if the wholesale cost of the merchandise does not exceed 10 times the maximum value determined under s. 546.10(7), F.S.

A Type C amusement game or machine may only be operated at:
- A facility as defined in s. 721.05(17), F.S., that is under the control of a timeshare plan;
- An arcade amusement center;
- A bowling center, as defined in s. 849.141, F.S.;
- The premises of a retailer, as defined in s. 212.02, F.S.;
- A public lodging establishment or public food service establishment licensed pursuant to ch. 509, F.S.;
- A truck stop; or
- The premises of a VSO granted a federal charter under Title 36, U.S.C., or a division, department, post, or chapter of such organization, for which an alcoholic beverage license has been issued.[48]

Regulatory Efforts by the FGCC

The FGCC employs approximately 18 sworn law enforcement officers.[49] The FGCC reported seizing around $14.47 million and over 6,700 slot machines in 2025, more than doubling its enforcement totals from the previous year.[50]

Chapter 120 Declaratory Statement Process

As a matter of general policy, a declaratory statement serves as an administrative tool designed to resolve regulatory uncertainty. Under the Florida Administrative Procedure Act, a declaratory statement is a formal mechanism that allows any "substantially affected person" to obtain an agency's opinion regarding the applicability of a statutory provision, rule, or order to their specific set of circumstances.[51]

The petitioning party must state their particular circumstances with specificity and identify the exact law or regulation they believe applies to that situation.[52] Upon receiving a petition, an agency is required to give notice of the filing in the Florida Administrative Register and must either issue the statement or deny the petition within 90 days.[53]

[48] Section 546.10(5)(c), F.S.
[49] The FGCC, available at https://flgaming.gov/enforcement (last visited Jan. 26, 2026).
[50] Florida Gaming Control Commission, *Florida Gaming Control Commission Doubles Down on Illegal Gambling*, available at https://flgaming.gov/docs/Press-Release/FGCC-Doubles-Down-on-Illegal-Gambling.pdf (last visited Feb. 5, 2026).
[51] Section 120.565(1), F.S.
[52] Section 120.565(2), F.S.
[53] Section 120.565(3), F.S.

Once issued, a declaratory statement constitutes a "final agency action," making it a legally binding interpretation that provides the petitioner with a definitive regulatory position upon which they can rely.[54]

IGRA and Indian Tribes ability to Transport Slot Machines

Gambling on Indian lands is regulated by the Indian Gaming Regulatory Act of 1988 (IGRA), which generally preempts state law on tribal land.[55]

Under the IGRA, gaming is categorized in three classes:

- **Class I** gaming means social games for minimal value or traditional forms of Indian gaming engaged in by individuals for tribal ceremonies or celebrations;
- **Class II** gaming includes bingo and pull-tabs, lotto, punch boards, tip jars, instant bingo, other games similar to bingo, and certain non-banked card games if not explicitly prohibited by the laws of the state and if played in conformity with state law; and
- **Class III** gaming includes all forms of gaming that are not Class I or Class II gaming, such as banked card games such as baccarat, chemin de fer, and blackjack (21), casino games such as craps and roulette, electronic or electromechanical facsimiles of games of chance, slot machines, and pari-mutuel wagering.[56]

Under the IGRA, Class III gaming is lawful on Indian lands only if conducted pursuant to a tribal-state compact that has been ratified by the state and approved by the United States Secretary of the Interior.[57]

The Seminole Tribe of Florida is the only Indian tribe in Florida to have a legally binding compact recognized by the IGRA, and therefore is the only Indian tribe allowed to offer Class III gaming. The Miccosukee Tribe of Indians of Florida offers Class II type of gaming and is prohibited from offering Class III type of gaming, like slot machines.

Because shipments of slot machines for Indian casinos physically travel through the state and not exclusively on tribal lands, there is some potential ambiguity as to whether the general prohibition on transporting slot machines in s. 849.15, F.S., applies to devices destined for tribal lands.

III. Effect of Proposed Changes:

Section 1 amends s. 546.10, F.S., relating to amusement games or machines, to provide a declaratory statement process regarding the legality of an amusement game or machine. The process only applies to veterans' service organizations (VSOs) that have been granted a federal charter under Title 36, U.S.C., or to a division, department, post, or chapter of such organization, for which an alcoholic beverage license has been issued.

[54] *Id*.
[55] *See* Pub. L. 100-497, 102 Stat. 2467, codified at 18 U.S.C. ss. 1166-1168 and 25 U.S.C. s. 2701 *et seq*.
[56] *See* 25 U.S.C. s. 2703.
[57] 25 U.S.C. s. 2710(d).

The bill requires a qualifying VSO, if in doubt whether the game or machine meets the definition in and is authorized under s. 546.10, F.S., to petition the Florida Gaming Control Commission (FGCC) before purchasing and installing an amusement game or machine on the VSO premises.

This section of the bill provides that a game or machine awaiting a declaratory statement from the FGCC may not be purchased or installed until the declaratory statement is issued. Additionally, this section, creates a procedure that would allow the VSO that is in doubt about the legality of a game or machine, currently on the premises, to petition the FGCC for a declaratory statement pursuant to s. 120.565, F.S., on whether the operation of the game or machine would be authorized under s. 546.10, F.S., or ch. 849, F.S. If the game, machine, premises, or organization is the subject of an ongoing criminal investigation, the organization may not petition the FGCC for a declaratory statement under this subsection.

The bill provides that:

- The FGCC must issue a declaratory statement within 60 days after receiving a petition.
- The FGCC may not deny a validly requested petition.
- Petitions made under this subsection must provide enough information for the FGCC to issue the declaratory statement and must be accompanied by the exact specifications for the type of game or machine that the organization will purchase or install or currently has on the premises.
- The declaratory statement is valid only for the game or machine for which it is requested and is invalid if the specifications for the game or machine have changed.
- The declaratory statement is binding on the FGCC and can be introduced in any subsequent proceedings as evidence of a good faith effort to comply with s. 546.10, F.S., or ch. 849, F.S.
- This section of the bill does not prevent the FGCC or any other criminal justice agency from detecting, apprehending, and arresting a person for any alleged crimes of this state.
- An owner or operator is not required to request a declaratory statement in order to operate, if lawful under s. 546.10, F.S.

Section 2 amends s. 849.15, F.S., relating to the prohibited manufacture, sale, or possession of slot machines or devices, to provide definitions for:

- "Ownership interest" to mean a person who is an officer, a director, or a managing member of any business, establishment, premises, or other location; and
- "Person of authority" to mean a person who, at any business, establishment, premises, or other location at which a slot machine or device is offered to play has:
  - Actual authority to act on behalf of the business, establishment, premises, or other location; or
  - Any ownership interest in the business, establishment, premises or other location.

The bill also provides increased criminal penalties. Specifically, a person commits a third-degree felony (imprisonment up to five years and a fine up to $5,000), if he or she violates the prohibitions on slot machines and at the time of the violation, the person was a person of authority.

In addition, the bill provides a legal "safe harbor" for all shipments of legal gaming devices, including legal slot machines, to Indian lands located within this state, deeming them legal

shipments thereof, provided that such Indian lands are held in federal trust for the benefit of a federally recognized Indian tribe that is a party to a tribal-state compact with the state pursuant to the Indian Gaming Regulatory Act of 1988 (IGRA).

The bill provides an effective date of July 1, 2026.

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:

Persons who violate the gambling laws will be subject to increased penalties.

C. Government Sector Impact:

The fiscal impact on state government is indeterminate. The bill increases a criminal penalty for violations relating to illegal gambling. This may create a positive fiscal impact on the state and local governmental entities that receive proceeds from related fines.

The bill may have an indeterminate fiscal impact on the Florida Gaming Control Commission (FGCC). According to the FGCC, revised procedures related to veterans' service organizations petitioning the FGCC for declaratory statements will require additional workload on staff and resources to pay for forensic review of machines

identified in petitions for declaratory statements and expert witness testimony.[58] Currently, the independent testing lab procured by the FGCC charges $200 per hour for a forensic review of a gambling machine, $495 per hour for testimony and deposition work, and $300 per hour for trial preparation, review and analysis, and time spent on non-working travel.[59]

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends sections 546.10 and 849.15 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.

B. Amendments:

None.

[58] *See* Florida Gaming Control Commission, *2026 Agency Legislative Bill Analysis for SB 204* at 4 (Oct. 15, 2025) (on file with the Senate Appropriations Committee on Agriculture, Environment, and General Government).
[59] *Id*.

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LEGISLATIVE ACTION

Senate . House

. . . . .

The Appropriations Committee on Agriculture, Environment, and General Government (Bradley) recommended the following:

Senate Amendment

Delete lines 131 - 134
and insert:
(3)(a) Except as provided in paragraphs (b) and (c), a person who violates subsection (2) commits a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083, if the violation involves five or fewer slot machines or devices.
(b) A person commits a felony of the third degree,

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punishable as provided in s. 775.082, s. 775.083, or s. 775.084, if he or she violates subsection (2), and:

1. The violation involves six or more slot machines or devices; or

2. The person has one prior conviction for a violation of this section.

(c) A person commits a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084, if he or she violates subsection (2), and:

1. At the time of the violation, the person was a person of authority and the violation involves six or more slot machines or devices; or

2. The person has two or more prior convictions for a violation of this section.

By Senator Bradley

6-00178-26 2026204__

A bill to be entitled

An act relating to gaming; amending s. 546.10, F.S.; requiring certain organizations, before purchasing, installing, or operating a game or machine on their premises, or that already have a game or machine installed on their premises, and are in doubt about whether such game or machine meets the definition of an amusement game or machine, to petition the Florida Gaming Control Commission for a declaratory statement on whether the operation of such game or machine is authorized or prohibited; prohibiting such organizations from purchasing or installing a game or machine until such declaratory statement is issued; prohibiting such organizations from petitioning the commission if the game, machine, premises, or organization in question is the subject of a criminal investigation; requiring the commission to issue a declaratory statement within a specified timeframe; prohibiting the commission from denying a petition if it was validly requested; specifying the information that must be included in a petition; providing that the declaratory statement is valid only for the game or machine for which it is requested and is invalid if the specifications for the game or machine have been changed; providing that the declaratory statement is binding on the commission and may be introduced as evidence in subsequent proceedings; providing construction; amending s. 849.15, F.S.; defining terms; providing criminal penalties for specified

6-00178-26 2026204__

offenses relating to the manufacture, possession, and sale of slot machines or devices; providing that shipments of legal gaming devices to Indian lands are deemed legal shipments under certain circumstances; providing an effective date.

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

Section 1. Present subsections (8) and (9) of section 546.10, Florida Statutes, are redesignated as subsections (9) and (10), respectively, and a new subsection (8) is added to that section, to read:

546.10 Amusement games or machines.—

(8)(a)1. Before purchasing a game or machine and installing it on the premises of any veterans' service organization granted a federal charter under Title 36, U.S.C., or a division, department, post, or chapter of such organization, for which an alcoholic beverage license has been issued, if the organization is in doubt about whether the game or machine meets the definition of an amusement game or machine under this section, the organization must petition the Florida Gaming Control Commission for a declaratory statement pursuant to s. 120.565 on whether the operation of the game or machine would be authorized under this section or would be a violation of this section or chapter 849. An organization awaiting such declaratory statement from the commission may not purchase or install the game or machine until the declaratory statement is issued.

2. If there is a game or machine currently on the premises of any veterans' service organization granted a federal charter

under Title 36, U.S.C., or a division, department, post, or chapter of such organization, for which an alcoholic beverage license has been issued, and the veterans' service organization is in doubt about whether the game or machine meets the definition of an amusement game or machine under this section, the organization, before operating the game or machine, must petition the commission for a declaratory statement pursuant to s. 120.565 on whether the operation of the game or machine would be authorized under this section or would be a violation of this section or chapter 849. If the game, machine, premises, or organization is the subject of an ongoing criminal investigation, the organization may not petition the commission for a declaratory statement under this subsection.

3. The commission shall issue a declaratory statement within 60 days after receiving a petition requesting such statement. The commission may not deny a petition that is validly requested pursuant to this subsection and s. 120.565.

(b) A petition made under this subsection must provide enough information for the commission to issue the declaratory statement and must be accompanied by the exact specifications for the type of game or machine which the organization will purchase or install or currently has on the premises. The declaratory statement is valid only for the game or machine for which it is requested and is invalid if the specifications for the game or machine have been changed.

(c) The declaratory statement is binding on the commission and may be introduced in any subsequent proceedings as evidence of a good faith effort to comply with this section or chapter 849.

(d) This subsection does not prevent the commission or any other criminal justice agency as defined in s. 943.045 from detecting, apprehending, and arresting a person for any alleged violation of this chapter, chapter 24, part II of chapter 285, chapter 550, chapter 551, or chapter 849, or any rule adopted pursuant thereto, or of any law of this state.

(e) This subsection does not require an owner or an operator of an amusement game or machine under this section to request or obtain a declaratory statement in order to operate pursuant to this section.

Section 2. Section 849.15, Florida Statutes, is amended to read:

849.15 Manufacture, sale, possession, etc., of slot machines or devices prohibited.—

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

(a) "Ownership interest" means a person who is an officer, a director, or a managing member of any business, establishment, premises, or other location.

(b) "Person of authority" means a person who, at any business, establishment, premises, or other location at which a slot machine or device is offered for play, has:

1. Actual authority to act on behalf of the business, establishment, premises, or other location; or

2. Any ownership interest in the business, establishment, premises, or other location.

(2)~~(1)~~ It is unlawful:

(a) To manufacture, own, store, keep, possess, sell, rent, lease, let on shares, lend or give away, transport, or expose for sale or lease, or to offer to sell, rent, lease, let on

shares, lend or give away, or permit the operation of, or for any person to permit to be placed, maintained, or used or kept in any room, space, or building owned, leased or occupied by the person or under the person's management or control, any slot machine or device or any part thereof; or

(b) To make or to permit to be made with any person any agreement with reference to any slot machine or device, pursuant to which the user thereof, as a result of any element of chance or other outcome unpredictable to him or her, may become entitled to receive any money, credit, allowance, or thing of value or additional chance or right to use such machine or device, or to receive any check, slug, token or memorandum entitling the holder to receive any money, credit, allowance or thing of value.

(3) Notwithstanding s. 849.23, a person who violates subsection (2) commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084, if he or she was a person of authority at the time of the violation.

(4)~~(2)~~ Pursuant to section 2 of that chapter of the Congress of the United States entitled "An act to prohibit transportation of gaming devices in interstate and foreign commerce," approved January 2, 1951, being ch. 1194, 64 Stat. 1134, and also designated as 15 U.S.C. ss. 1171-1177, the State of Florida, acting by and through the duly elected and qualified members of its Legislature, does hereby in this section, and in accordance with and in compliance with the provisions of section 2 of such chapter of Congress, declare and proclaim that any county of the State of Florida within which slot machine gaming is authorized pursuant to chapter 551 is exempt from the

provisions of section 2 of that chapter of the Congress of the United States entitled "An act to prohibit transportation of gaming devices in interstate and foreign commerce," designated as 15 U.S.C. ss. 1171-1177, approved January 2, 1951. All shipments of gaming devices, including slot machines, into any county of this state within which slot machine gaming is authorized pursuant to chapter 551 and the registering, recording, and labeling of which have been duly performed by the manufacturer or distributor thereof in accordance with sections 3 and 4 of that chapter of the Congress of the United States entitled "An act to prohibit transportation of gaming devices in interstate and foreign commerce," approved January 2, 1951, being ch. 1194, 64 Stat. 1134, and also designated as 15 U.S.C. ss. 1171-1177, shall be deemed legal shipments thereof into this state provided the destination of such shipments is an eligible facility as defined in s. 551.102 or the facility of a slot machine manufacturer or slot machine distributor as provided in s. 551.109(2)(a).

(5) All shipments of legal gaming devices, including legal slot machines, to Indian lands located within this state shall be deemed legal shipments thereof, provided that such Indian lands are held in federal trust for the benefit of a federally recognized Indian tribe that is a party to a tribal-state compact with the state pursuant to the federal Indian Gaming Regulatory Act of 1988, 18 U.S.C. ss. 1166-1168 and 25 U.S.C. ss. 2701 et seq.

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

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 Appropriations Committee on Agriculture, Environment, and General Government

BILL:	CS/SB 540
INTRODUCER:	Banking and Insurance Committee and Senator Martin
SUBJECT:	Office of Financial Regulation
DATE:	February 11, 2026
REVISED:	

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Moody	Knudson	BI	**Fav/CS**
2.	Sanders	Betta	AEG	**Pre-meeting**
3.			RC	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 540 modifies the provisions of laws governing financial services regulated by the Office of Financial Regulation (OFR).

Cybersecurity

Mortgage brokers, mortgage lenders, and money services businesses

The bill:

- Creates a regulatory framework patterned after the Federal Standards for Safeguarding Customer Information ("Safeguard Rules") requiring mortgage brokers, mortgage lenders, and money services businesses licensees to create and maintain a written information security program that meets specified criteria and is designed for certain purposes.
- Requires licensees to:
  - Test, monitor, and adjust the program to meet specified requirements.
  - Establish a written incident response plan that consists of certain information.
  - Investigate any cybersecurity event which must determine specified information.
  - Maintain certain records for a specified time.
  - Notify the OFR of certain breaches of security.
  - Provide specified updates required by the OFR.
- Exempts certain licensees from the regulatory requirements established in the bill.

- Provides licensees are not exempt from complying with security requirements under consumer protection laws.
- Authorizes the Financial Services Commission (Commission) to adopt rules to administer provisions in this section of the bill.

The bill authorizes the OFR to impose disciplinary actions or penalties against the licensees for failing to comply with certain notice requirements.

Financial Institutions

The bill requires a financial institution to comply with security measures of personal information that are substantially similar to the security requirements under the consumer protection laws in ch. 501, F.S. A financial institution is required to comply with specified notice requirements to the Department of Legal Affairs (DLA), and certain individuals and consumer reporting agencies.

Securities Transactions

The bill amends the definition of "investment adviser" and the definition of "family office" to exclude certain persons and exempt certain offers or sales of securities from regulation and define the term "place of business."

Surrendered or Repossessed Vehicles

The bill provides that a parties' rights and obligations with respect to a surrendered or repossessed motor vehicle are exclusively governed by the Uniform Commercial Code, Secured Transactions, part VI of ch. 679, F.S.

Money Services Businesses Disciplinary Actions

The bill clarifies that an affiliated party of a money services business which is subject to disciplinary action and penalties must have been affiliated at the time the actionable grounds occurred and provides additional grounds for disciplinary action and penalties.

The bill requires, rather than authorizes, the OFR to issue an "emergency order" to suspend, instead of summarily suspending, the license of a money services business if the OFR makes certain findings. The bill clarifies that no further findings of immediate danger, necessity, or procedural fairness are required if certain facts exist.

Financial Institutions Director and Officer Qualifications

The bill allows certain directors and officers to have certain minimum experience within 10 years, rather than within five years of applying to form a banking corporation or trust company.

Credit Unions

The bill requires the majority of five or more individual applicants, rather than all individual applicants, that organize a credit union must be residents of the state. The bill allows credit union members to meet electronically and without an in-person quorum and allows virtual attendees to satisfy quorum requirements. The bill eliminates the limit on fixed asset investments.

Financial Institutions and Family Trust Companies Examination Costs

The bill requires that certain financial institutions and family trust companies must pay examination costs within 45 days, instead of within 30 days.

The bill does not impact state revenues and expenditures. See Section V., Fiscal Impact Statement.

The bill is effective July 1, 2026.

II. Present Situation:

The Office of Financial Regulation (OFR) is responsible for regulating all activities of banks, credit unions, other financial institutions, finance companies, and the securities industry (together, the "financial services").[1] The number of licensees or state-chartered institutions regulated by the OFR is summarized below:[2]

Division	Number of Persons Regulated
Division of Consumer Finance	122,530
Division of Financial Institutions	196
Division of Securities	403,627
Total Regulated Persons	526,353

Cybersecurity

There are federal standards for protecting customer information and Florida consumer protection laws for data security; however, there are no cybersecurity regulations under the financial services provisions. The Department of Legal Affairs (DLA) is responsible for enforcing such a violation and may disclose information to OFR relating to a covered entity's[3] violation of data security requirements of confidential personal information under consumer protection laws but the OFR has no regulatory authority to enforce any violation of the data security provisions in the consumer protection laws.[4]

[1] Section 20.121(3)(a)2., F.S.
[2] The Office of Financial Regulation (OFR), *Fast Facts 12th Edition* (Jan. 2025), https://www.flofr.gov/docs/default-source/documents/fast-facts.pdf (last visited Jan. 20, 2026) (hereinafter cited as "2025 OFR Fast Facts").
[3] Section 501.171(1)(b), F.S., defines "covered entity" as a sole proprietorship, partnership, corporation, trust, estate, cooperative, association, or other commercial entity that acquires, maintains, stores, or uses personal information. The term also includes governmental entities with respect to certain notice requirements.
[4] Section 501.171(9)(a), F.S.

Federal Standards for Safeguarding Customer Information

Financial institutions[5] subject to the Federal Trade Commission's (FTC) jurisdiction are regulated under the Federal Standards for Safeguarding Customer Information (Safeguard Rules).[6] The Safeguard Rules do not apply to financial institutions that maintain customer information[7] for fewer than 5,000 customers.[8,9] Financial institutions subject to the Safeguard Rules are required to develop, implement, and maintain a comprehensive written information security program[10] that must be tailored to the size and complexity of the institution's system and activities, and must meet other specified criteria.[11]

The information security program must also include several elements, for instance:

- Designating a qualified individual to oversee and implement the program;
- Basing the system on a risk assessment that identifies certain factors;
- Testing and monitoring the system;
- Implementing specified safeguards to control the risks;
- Implementing certain policies and procedures;
- Overseeing service providers;
- Evaluating and adjusting the program following the testing and monitoring results;
- Establishing a written incident response plan;
- Complying with reporting requirements; and
- Notifying the FTC of a qualifying event in certain circumstances.[12]

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[5] 16 C.F.R. 314.2 defines "financial institution" as any institution the business of which is engaging in activity that is financial in nature or incidental to such financial activities as described in section 4(k) of the Bank Holding Company Act of 1956, 12 U.S.C. 1843(k). An institution that is significantly engaged in financial activities, or significantly engaged in activities incidental to such financial activities, is a financial institution.

[6] 16 C.F.R. 314.1(b).

[7] 16 C.F.R. 314.2(d) defines "customer information" as any record containing nonpublic personal information about a customer of a financial institution, whether in paper, electronic, or other form, that is handled or maintained by or on behalf of a financial institution or a financial institution's affiliates. 16 C.F.R. 314.2(l) defines (1) "nonpublic personal information" as (i) Personally identifiable financial information; and (ii) Any list, description, or other grouping of consumers (and publicly available information pertaining to them) that is derived using any personally identifiable financial information that is not publicly available. (2) Nonpublic personal information does not include: (i) Publicly available information; or (ii) Any list, description, or other grouping of consumers (and publicly available information pertaining to them) that is derived without using any personally identifiable financial information that is not publicly available. 16 C.F.R. 314.2(b)(1) defines "consumer" as an individual who obtains or has obtained a financial product or service from a financial institution that is to be used primarily for personal, family, or household purposes, or that individual's legal representative.

[8] 16 C.F.R. 314.2(c) defines "customer" as a consumer who has a customer relationship with a financial institution. 16 C.F.R. 314.2(e)(1) defines "customer relationship" as a continuing relationship between a consumer and a financial institution under which the financial institution provides one or more financial products or services to the consumer that are to be used primarily for personal, family, or household purposes. 16 C.F.R. 314.2(g)(1) defines "financial product or service" as any product or service that a financial holding company could offer by engaging in a financial activity under section 4(k) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(k)).

[9] 16 C.F.R. 314.6.

[10] 16 C.F.R. 314.2(i) defines "information security program" as the administrative, technical, or physical safeguards a financial institution uses to access, collect, distribute, process, protect, store, use, transmit, dispose of, or otherwise handle customer information.

[11] 16 C.F.R. 314.3(a).

[12] 16 C.F.R. 314.4.

A financial institution must notify the FTC of a notification event[13] that involves information of at least 5,000 consumers.[14] Such notification must be made as soon as possible, but no later than 30 days after discovery of the event, on the FTC's website and must include specified information.[15]

Florida Security of Confidential Personal Information

Section 501.171, F.S., provides covered entities, governmental entities, and third-party agents are required to take reasonable measures to protect and secure electronic data containing personal information.[16,17] When the security of a data system is breached, a covered entity must provide notice to the DLA, affected individuals, and credit reporting agencies in certain circumstances.[18] A covered entity that fails to provide the required notices may face civil penalties.[19]

Notice to the Department of Legal Affairs

Covered entities must provide written notice of any breach of security that affects 500 or more Floridians to the DLA within 30 days after the determination of the breach or a reason to believe a breach occurred.[20] The notice may be delayed an additional 15 days for good cause, if certain

[13] 16 C.F.R. 314.2(m) defines "notification event" as acquisition of unencrypted customer information without the authorization of the individual to which the information pertains. Customer information is considered encrypted for this purpose if the encryption key was accessed by an unauthorized person. Unauthorized acquisition will be presumed to include unauthorized access to unencrypted customer information unless the financial institution has reliable evidence showing that there has not been, or could not reasonably have been, unauthorized acquisition of such information.
[14] 16 C.F.R. 314.4(j)(1).
[15] *Id.* Providing the notice must include: (i) The name and contact information of the reporting financial information; (ii) A description of the types of information that were involved in the notification event; (iii) If the information is possible to determine, the date or date range of the notification event; (iv) The number of consumers affected or potentially affected by the notification event; (v) A general description of the notification event; and (vi) Whether any law enforcement official has provided the financial institution with a written determination that notifying the public of the breach would impede a criminal investigation or cause damage to national security, and a means for the FTC to contact the law enforcement official.
[16] Section 501.171(1)(g), F.S., defines: 1. "personal information" as a. An individual's first name or first initial and last name in combination with one of the following: (I) A social security number; (II) A driver license or identification card number, passport number, military identification number, or other number issued by a governmental entity used to verify identity; (III) A financial account number or credit or debit card number, in combination with any required security code, access code, or password needed to permit access to the financial account; (IV) An individual's medical history, mental or physical condition, or medical treatment or diagnosis; (V) An individual's health insurance policy number or subscriber identification number and any unique identifier used by a health insurer; (VI) An individual's biometric data; or (VII) Any information regarding an individual's geolocation. b. A user name or e-mail address, in combination with a password or security question and answer is also considered "personal information." 2. Information that is publicly available from a federal, state, or local governmental entity or information that is encrypted, secured, or modified by a method or technology that removes personally identifiable information is not considered "personal information." Section 501.702(4), F.S., defines "biometric data" as data generated by automatic measurements of an individual's biological characteristics. The term includes fingerprints, voiceprints, eye retinas or irises, or other unique biological patterns or characteristics used to identify a specific individual. The term does not include physical or digital photographs; video or audio recordings or data generated from video or audio recordings; or information collected, used, or stored for health care treatment, payment, or operations under the Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. ss. 1320d et seq.
[17] Section 501.171(2), F.S.
[18] Section 501.171(3) - (5), F.S.
[19] Section 501.171(9), F.S.
[20] Section 501.171(3)(a), F.S.

conditions are met.[21] The notice must include specified information.[22] A covered entity must also provide certain information upon request of the DLA,[23] and may provide any other information regarding the breach to the DLA at any time to supplement the required information.[24]

Notice to Individuals

A covered entity must provide notice to each individual in Florida whose personal information was, or is reasonably believed to have been, accessed as a result of a breach. Notice must be provided as quickly as possible, taking into account the time needed to determine the scope of the breach of security, to identify affected individuals, and to restore reasonable integrity of the data system that was breached. However, notice must be provided within 30 days of determination of the breach or reason to believe a breach occurred unless specified exceptions apply.[25] The notice must be sent to the individual's mailing address or e-mail address and must include specified information.[26]

This notice may be substituted in lieu of direct notice to the individual if the cost of providing notice will exceed $250,000, the number of affected individuals exceeds 500,000, or the covered entity does not have an e-mail address or mailing address for the affected individuals.[27] The substitute notice must include a conspicuous notice on the Internet website of the covered entity, if the entity maintains a website, and notice in print and broadcast media, including major media in urban and rural areas where the affected individuals reside.[28]

Notice to Credit Reporting Agencies

If a breach requires more than 1,000 individuals to be notified at a single time, the covered entity must also notify all consumer reporting agencies that compile and maintain files on a nationwide basis of the timing, distribution, and content of the notices.[29]

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[21] *Id.*
[22] Section 501.171(3)(b), F.S. (providing the information that must be included is: 1. A synopsis of the events surrounding the breach at the time the notice is provided; 2. The number of individuals in this state who were or potentially have been affected by the breach; 3. Any services related to the breach being offered or scheduled to be offered by the covered entity to individuals, without charge, and instructions as to how to use such services; 4. A copy of the notice sent to individuals affected or potentially affected by the breach or an explanation of other actions being taken, such as a delay in notification at the request of law enforcement, a determination that the breach was unlikely to cause harm, or notice provided in compliance with federal law; and 5. The name, address, telephone number, and e-mail address of the employee of the covered entity from whom additional information may be obtained about the breach).
[23] Section 501.171(3)(c), F.S. (providing the information that must be provided is: 1. A police report, incident report, or computer forensics report; 2. A copy of the policies in place regarding breaches; and 3. Any steps taken by the covered entity to rectify the breach).
[24] Section 501.171(3)(d), F.S.
[25] Section 501.171(4)(a), F.S.
[26] Section 501.171(4)(d) and (e), F.S. (providing the notice must include: 1. The date, estimated date, or estimated date range of the breach of security; 2. A description of the personal information that was accessed or reasonably believed to have been accessed as a part of the breach of security; and 3. Information that the individual can use to contact the covered entity about the breach of security and the individual's personal information maintained by the covered entity).
[27] Section 501.171(4)(f), F.S.
[28] *Id.*
[29] Section 501.171(5), F.S.

Securities Transactions

Federal Regulation

The Securities and Exchange Commission (SEC) oversees federal securities laws[30] broadly aimed at protecting investors; maintaining fair, orderly, and efficient markets; and facilitating capital formation.[31]

The SEC has broad regulatory authority over significant parts of the securities industry, including investment advisers.[32] Investment advisers are required to register with the SEC unless an exception to registration applies.[33] Federal law provides that a family office is not considered an investment adviser,[34] and defines "family office" as a company that: [35]

- Has no clients other than family clients,[36] with one exception;[37]
- Is wholly owned by family clients and is exclusively controlled (directly or indirectly) by one or more family members and/or family entities; and
- Does not hold itself out to the public as an investment adviser.

Securities Act of 1933

Following the stock market crash of 1929, the Securities Act of 1933[38] (Act of 1933) was enacted to regulate the offers and sales of securities. The Act of 1933 requires every offer and sale of securities to be registered with the Securities and Exchange Commission (SEC), unless an exemption from registration is available. The Act of 1933 requires issuers to disclose financial and other significant information regarding securities offered for public sale and prohibits deceit, misrepresentations, and other kinds of fraud in the sale of securities. The Act of 1933 requires

[30] Section 15, Securities and Exchange Act of 1934.
[31] Securities and Exchange Commission, *Mission*, https://www.sec.gov/about/mission (last visited Jan. 29, 2026).
[32] 15 U.S.C. 80b-1.
[33] 15 U.S.C. 80b-3.
[34] 17 C.F.R. 275.202(a)(11)(G)-1(a).
[35] 17 C.F.R. 275.202(a)(11)(G)-1(b).
[36] 17 C.F.R. 275.202(a)(11)(G)-1(d)(4) defines "family client" as (i) Any family member; (ii) Any former family member; (iii) Any key employee; (iv) Certain former key employee; (v) Any non-profit organization, charitable foundation, charitable trust, or other charitable organization, in each case for which all the funding such foundation, trust or organization holds came exclusively from one or more other family clients; (vi) Any estate of a family member, former family member, key employee, or, subject to specified conditions, former key employee; (vii) Any irrevocable trust in which one or more other family clients are the only current beneficiaries; (viii) Any irrevocable trust funded exclusively by one or more other family clients in which other family clients and non-profit organization, charitable foundations, charitable trusts, or other charitable organizations are the only current beneficiaries; (ix) Any revocable trust of which one or more other family clients are the sole grantor; (x) Any trust of which: Each trustee or other person authorized to make decisions with respect to the trust is a key employee; and each settlor or other person who has contributed assets to the trust is a key employee or the key employee's current and/or former spouse or spousal equivalent who, at the time of contribution, holds a join,, community property, or other similar shared ownership interest with the key employee; or (xi) Any company wholly owned (directly or indirectly) exclusively by, and operated for the sole benefit of, one or more other family clients; provided that if any such entity is a pooled investment vehicle, it is excepted from the definition of "investment company" under the Investment Company Act of 1940.
[37] 17 C.F.R. 275.202(a)(11)(G)-1(b) (providing that if a person that is not a family client becomes a client of a family office as a result of the death of a family member or key employee or other involuntary transfer from a family member or key employee, that person shall be deemed to be a family client for purposes of this section for one year following the completion of the transfer of legal title to the assets resulting from the involuntary event).
[38] Public Law 73-22, as amended through P.L. 117-268, enacted December 23, 2022.

issuers to disclose information deemed relevant to investors as part of the mandatory SEC registration of the securities that those companies offer for sale to the public.[39]

Registered securities offerings, often called public offerings, are available to all types of investors and have more rigorous disclosure requirements. Initial public offerings (IPOs) provide an initial pathway for companies to raise unlimited capital from the general public through a registered offering. After its IPO, the company will be a public company with ongoing public reporting requirements.[40]

By contrast, securities offerings that are exempt from SEC registration are referred to as private offerings and are mainly available to more sophisticated investors. The SEC exempts certain small offerings from registration requirements to foster capital formation by lowering the cost of offering securities to the public.[41]

Florida Regulation of Securities

The federal securities acts expressly allow for concurrent state regulation under blue sky laws,[42] which are designed to protect investors against fraudulent sales practices and activities. Most state laws typically require companies making offerings of securities to register their offerings before they can be sold in a particular state, unless a specific state exemption is available. The laws also license brokerage firms, their brokers, and investment adviser representatives.[43]

The scope of the OFR's jurisdiction includes the regulation and registration of the offer and sale of securities in, to, or from Florida by firms, branch offices, and individuals associated with these firms in accordance with the ch. 517, F.S.[44] The Division of Securities (division) within the OFR is responsible for administering the Securities and Investor Protection Act (SaIP Act). The SaIP Act prohibits dealers, associated persons, and issuers from offering or selling securities in this state unless registered with the OFR or specifically exempted.[45] Additionally, all securities in Florida must be registered with the OFR unless they meet one of the exemptions in ss. 517.051 or 517.061, F.S., or are federally covered (i.e., under the exclusive jurisdiction of the SEC).

[39] *Id.*
[40] U.S. Securities and Exchange Commission (SEC), *What does it mean to be a public company?* https://www.sec.gov/education/capitalraising/building-blocks/what-does-it-mean-be-a-public-company (last visited Jan. 28, 2024).
[41] 17 C.F.R. s. 230.251.
[42] The term "blue sky" derives from the characterization of baseless and broad speculative investment schemes, which such laws targeted. Cornell Law School, Blue Sky Laws https://www.law.cornell.edu/wex/blue_sky_law#:~:text=In%20the%20early%201900s%2C%20decades,schemes%20which%20such%20laws%20targeted (last visited Jan. 28, 2024) (last visited Jan. 29, 2026).
[43] SEC, *Blue Sky Laws*, http://www.sec.gov/answers/bluesky.htm (last visited Jan. 29, 2026).
[44] Pursuant to s. 20.121(3), F.S. The jurisdiction of the OFR also includes state-chartered financial institutions and finance companies.
[45] Section 517.12, F.S.

Florida Motor Vehicle Sales Finance Laws

The Florida Motor Vehicle Retail Sales Finance Act[46] regulates sellers,[47] commonly referred to as auto dealers, who enter into retail installment contracts[48] with buyers[49] for the purchase or lease of a motor vehicle.[50] Except for certain businesses, such as banks or trust companies, sellers are required to obtain a license to operate in Florida.[51] A seller must submit an application, specified information, and a nonrefundable fee to the Office of Financial Regulation (OFR) to obtain the required license.[52]

Any person who willfully and intentionally violates any provision of s. 520.995, F.S., or engages in the business of a retail installment seller without a license is guilty of a misdemeanor of the first degree. Section 520.995, F.S., provides grounds for disciplinary action by the OFR when, for instance, there is failure to comply with any provision of ch. 520, F.S. Further, the OFR has authority to issue and serve upon any person a cease and desist order whenever such person is violating, has violated, or is about to violate any provision of ch. 520, F.S.,[53] or may impose an administrative fine not to exceed $1,000 for each violation that has occurred.[54]

Retail installment contracts must comply with several requirements and prohibitions, including, but not limited to, that the agreement must:

- Be in writing;[55]
- Contain a "Notice to the Buyer" which includes specified information;[56] and
- Contain other specified information, including the amount financed, finance charges, total amount of payments, total sale price, and payment details.[57]

Sellers must provide buyers with a separate written itemization of the amount financed.[58] Florida law contains several other provisions to protect the buyer, such as regulation on insurance rates,

[46] Sections 520.01-520.10, 520.12, 520.125, and 520.13, F.S.
[47] Section 520.02(11), F.S., defines "motor vehicle retail installment seller" or "seller" as a person engaged in the business of selling motor vehicles to retail buyers in retail installment transactions.
[48] "Retail installment contract" or "contract" is defined as an agreement, entered into in this state, pursuant to which the title to, or a lien upon the motor vehicle, which is the subject matter of a retail installment transaction, is retained or taken by a seller from a retail buyer as security, in whole or in part, for the buyer's obligation. The term includes a conditional sales contract and a contract for the bailment or leasing of a motor vehicle by which the bailee or lessee contracts to pay as compensation for its use a sum substantially equivalent to or in excess of its value and by which it is agreed that the bailee or lessee is bound to become, or for no further or a merely nominal consideration, has the option of becoming, the owner of the motor vehicle upon full compliance with the provisions of the contract. Section 520.02(17), F.S.
[49] "Retail buyer" or "buyer" is defined as a person who buys a motor vehicle from a seller not principally for the purpose of resale, and who executes a retail installment contract in connection therewith or a person who succeeds to the rights and obligations of such person.
[50] *See* Ch. 520, F.S.
[51] Section 520.03(1), F.S.
[52] *Id.*
[53] Section 520.994(3), F.S.
[54] Section 520.994(4), F.S.
[55] Section 520.07(1)(a), F.S.
[56] Section 520.07(1)(b), F.S.
[57] Section 520.07(2), F.S.
[58] Section 520.07(3), F.S.

refunds for unearned insurance premiums, limits on the amount of delinquency charges a holder[59] may charge, and restrictions on when a contract may be signed with blank spaces.[60]

In conjunction with entering into any new retail installment contract or contract for a loan, a seller, a sales finance company,[61] or a retail lessor,[62] and any assignee of such an entity, may offer an optional guaranteed asset protection product[63] ("GAP product") for a fee or otherwise.[64]

A seller or any other authorized entity may not require the buyer to purchase a GAP product as a condition for making the loan. In order to offer a GAP product, a seller or any other authorized entity must comply with the following:[65]

- The cost of any GAP product must not exceed the amount of the loan indebtedness.
- Any contract or agreement pertaining to a GAP product must be governed by s. 520.07, F.S., relating to requirements and prohibitions as to retail installment contracts.
- A GAP product must remain the obligation of any person that purchases or otherwise acquires the loan contract covering such product.
- An entity providing GAP products must provide readily understandable disclosures that explain in detail eligibility requirements, conditions, refunds, and exclusions. The disclosures must explain that the purchase of the GAP product is optional, and must meet certain criteria regarding the language contained in it.
- An entity must provide a copy of the executed contract for the GAP product to the buyer.
- An entity may not offer a contract for a GAP product that contains terms giving the entity the right to unilaterally modify the contract unless:
  - The modification is favorable to the buyer and is made without any additional charge; or
  - The buyer is notified of any proposed change and is provided a reasonable opportunity to cancel the contract without penalty before the change goes in effect.
- If a contract for a GAP product is terminated, the entity must refund to the buyer all unearned portions of the purchase price of the contract unless the contract provides otherwise. A customer who receives the benefit of the GAP product is not entitled to a refund. The buyer must notify the entity of the event terminating the contract and request a refund within 90 days after the terminating event. An entity may offer a buyer a nonrefundable contract for

[59] Section 520.02(8), F.S., provides that a "holder" of a retail installment contract means the retail seller of a motor vehicle retail installment contract or an assignee of such contract.
[60] Section 520.07, F.S.
[61] Section 520.02(19), F.S., defines "sales finance company" as a person engaged in the business of purchasing retail installment contracts from one or more sellers. The term includes, but is not limited to, a bank or trust company, if so engaged. The term does not include the pledge of an aggregate number of such contracts to secure a bona fide loan thereon.
[62] Section 521.003(8), F.S., defines "retail lessor" as a person who regularly engages in the business of selling or leasing motor vehicles and who offers or arranges a lease agreement for a motor vehicle. The term includes an agent or affiliate who acts on behalf of the retail lessor and excludes any assignee of the lease agreement.
[63] Section 520.02(7), F.S., defines "guaranteed asset protection product" as a loan, lease, or retail installment contract term, or modification or addendum to a loan, lease, or retail installment contract, under which a creditor agrees, with or without a separate charge, to cancel or waive a customer's liability for payment of some or all of the amount by which the debt exceeds the value of the collateral that has incurred total physical damage or is the subject of an unrecovered theft. A guaranteed asset protection product may also provide, with or without a separate charge, a benefit that waives a portion of, or provides a customer with a credit toward, the purchase of a replacement motor vehicle. Such a product is not insurance for purposes of the Florida Insurance Code. This subsection also applies to all guaranteed asset protection products issued before October 1, 2008.
[64] Section 520.07(11), F.S.
[65] *Id.*

a GAP product only if the entity also offers the buyer a bona fide option to purchase a comparable contract that provides for a refund. Florida law prohibits an entity from deducting more than $75 in administrative fees from a refund.

- GAP products may be cancelable or non-cancelable after a free-look period.[66]
- If a GAP product is terminated because of:
  - A default under the retail installment contract or contract for a loan,
  - The repossession of the motor vehicle associated with such contract or loan, or
  - Any other termination of such contract or loan, a refund of the GAP product amount may be used to satisfy any balance owed on the retail installment contract or contract for a loan unless the buyer can show that the retail installment contract has been paid in full.

Money Services Businesses

The Office of Financial Regulation (OFR) regulates money services businesses (MSB) under ch. 560, F.S. A "money service business" is defined as any person located in or doing business in this state, from this state, or into this state from locations outside this state or country who acts as a payment instrument seller, foreign currency exchanger, check casher, or money transmitter. [67] The OFR is responsible for enforcing regulations and imposing disciplinary actions against MSBs.[68]

The OFR has authority to implement several disciplinary actions against a MSB for specified actions, such as failing to comply with the provisions of ch. 560, F.S., certain fraud or misrepresentation conduct, and refusing to allow the examination or inspection of books or files.[69] Section 560.114, F.S., provides for the following disciplinary actions:

- Issuing a cease and desist order;
- Issuing a removal order; or
- Denying, suspending, or revoking a license.[70]

Financial Institutions

A financial institution must have a federal or state charter to accept deposits. Banks are chartered and regulated as national banks by the Office of the Comptroller of the Currency (OCC) within the U.S. Department of the Treasury or as state banks by a state regulator.[71] The Florida Financial Institutions Codes apply to all state-authorized or state-chartered financial banks, trust

[66] Section 520.135(5), F.S., defines "free-look period" as the period of time, commencing on the effective date of the contract, during which the buyer may cancel the contract for a full refund of the purchase price. This period may not be shorter than 30 days.
[67] Section 560.103(23), F.S.
[68] Section 560.114(1), F.S.
[69] *Id.*
[70] *Id.*
[71] Congressional Research Service, In Focus, *Introduction to Financial Services: Banking*, p. 1, (Updated April 1 , 2025), https://www.congress.gov/crs-product/IF10035?q=%7B%22search%22%3A%22introduction+to+financial+services%3A++banking%22%7D&s=2&r=1 (last visited Jan. 29, 2026).

companies, and related entities.[72] Of the 196 financial entities regulated by the OFR, 57 of them are state-chartered banks.[73] There are also approximately 30 federally-chartered banks operating in Florida.[74]

Laws Relating to Directors and Executive Officers

Federally-chartered banks, publicly or privately held, must comply with rigorous regulatory requirements to become chartered.[75] No person is allowed to offer any national bank issued security unless certain registration requirements are filed with the OCC,[76] unless an exemption applies, such as nonpublic offerings.[77] State laws also specify requirements that a proposed new bank or trust company must comply with to be chartered, including minimum qualifications of directors and certain proposed executive officers.[78]

Initial Application

The OFR is required to make certain findings before approving an application to organize a bank or trust company.[79] One such finding is that the proposed directors and officers have sufficient financial institution experience, ability, standing, and reputation to indicate a reasonable promise of successful operation.[80] Specifically, the OFR must find that at least two of the proposed directors who are not also proposed officers, and the proposed president or proposed chief executive officer, have had at least one year of direct experience as an executive officer, regulator, or director of a financial institution within five years before the date of the application.[81] The OFR has authority to waive this experience requirement for the proposed president or chief executive officer after considering the following criteria:[82]

- The adequacy of the overall experience and expertise of the proposed president or chief executive officer;
- The likelihood of successful operation of the proposed state bank or trust company;
- The adequacy of the proposed capitalization;
- The proposed capital structure;
- The experience of the other proposed officers and directors; and
- Any other relevant data or information.

[72] Section 655.005(1)(k), F.S., states that the Financial Institutions Codes includes: Ch. 655, financial institutions generally; Ch. 657, credit unions; Ch. 658, banks and trust companies; Ch. 660, trust business; Ch. 662, family trust companies; Ch. 663, international banking; Ch. 665, relating to associations; and Ch. 667, savings banks.
[73] 2025 OFR Fast Facts.
[74] The OCC, *National Banks Active As of 11/30/2025*, November 30, 2025, national-by-state.pdf last visited Jan. 29, 2026).
[75] *See* 12 CFR 16; Office of the Comptroller of the Currency, *Comptroller's Licensing Manual Charters*, p. 4, December 2021, https://www.occ.gov/publications-and-resources/publications/comptrollers-licensing-manual/files/charters.pdf (last visited Jan. 29, 2026).
[76] 12 CFR 16.3
[77] 12 CFR 16.7
[78] Section 658.21, F.S.
[79] Section 658.21, F.S.
[80] Section 658.21(4)(a), F.S.
[81] Section 658.21(4)(b) and (c), F.S.
[82] Section 658.21(4)(c), F.S.

Director Qualifications

The board of directors of a bank or trust company must consist of at least five directors. Each director must be elected, except in cases when a director is appointed to fill a vacancy.[83] A majority of the directors must be United States citizens during their whole term of service, and must have resided in Florida for at least one year preceding their election, and must remain residents during their time in office.[84] In the case of a bank or trust company with total assets of less than $150 million, at least one, and in the case of a bank or trust company with total assets of $150 million or more, two of the directors who are not also officers of the bank or trust company must have had at least one year of direct experience as an executive officer, regulator, or director of a financial institution within the last five years.[85]

Disapproval of Directors and Executive Officers

Although federal law does not require a minimum amount of experience for proposed directors or executive officers, the appropriate Federal banking agency must issue a notice of disapproval if the competence, experience, character, or integrity of an individual indicates that it would not be in the best interests of the depositors of the depository institution or the public to permit the individual to be a director or be employed as a senior executive officer of the institution.[86] If the appropriate Federal banking agency issues a notice of disapproval before the end of a specified notice period, the entity may not add the individual to the board of directors.[87]

Similar to Federal law, Florida law also authorizes the OFR to disapprove the proposed appointment of any individual to the board of directors or employment of an individual as an executive officer if certain criteria are met, including, but not limited to, when the institution is non-compliant with minimum capital requirements or is otherwise operating in an unsafe and unsound condition.[88]

Credit Unions

A credit union must have a federal or state charter to operate in Florida. Credit unions are chartered and regulated as a national credit union by the National Credit Union Association (NCUA).[89] Such membership is limited to a group or groups with a common bond of occupation or association within a defined community. Deposits into a federal credit union allow members

[83] Section 658.33(1), F.S.
[84] Section 658.33(2), F.S.
[85] *Id.*
[86] 12 U.S.C. § 1831i(e).
[87] 12 U.S.C. § 1831i(b).
[88] Section 655.005(y), F.S., defines "unsafe and unsound practice" as: 1. any practice or conduct found by the office to be contrary to generally accepted standards applicable to a financial institution, or a violation of any prior agreement in writing or order of a state or federal regulatory agency, which practice, conduct, or violation creates the likelihood of loss, insolvency, or dissipation of assets or otherwise prejudices the interest of the financial institution or its depositors or members.
[89] National Credit Union Administration, *Overview of the Charter Application Process*, April 14, 2022, *https://ncua.gov/regulation-supervision/manuals-guides/federal-credit-union-charter-application-guide/overview-charter-application-process* (last visited Jan. 29, 2026).

to become owners of the credit union, run to become a credit union official, and vote on certain matters.[90]

The Florida Financial Institutions Codes apply to all state-chartered credit unions.[91] There are approximately 138 credit unions in Florida[92] with 67 of them being state-chartered.[93] Florida law provides that any person may be admitted to a credit union upon payment of any required fee, payment of shares, and compliance with the credit union bylaws.[94] State-chartered credit unions operate as financial institutions except for exercising certain incidental powers authorized by law.[95]

Member Qualifications

An application must be filed with the OFR to organize a credit union.[96] Any five or more residents of Florida who represent a limited field of membership may apply for permission to organize a credit union.[97] The application must be submitted on a prescribed form with specified information and a nonrefundable filing fee.[98]

Membership Meetings

Members are required to notice and hold the annual meeting and any special meetings of the members at the time, place, and in the manner provided in the bylaws. [99] Each member has one vote.[100] The members must elect the board of directors and other committees prescribed in the bylaws and transact any other business that the bylaws allow.[101]

Investments

Florida law regulates how credit unions may invest funds. There are no limits with respect to investing in some assets, for instance United States Treasury bonds. Examples of other classes of assets that are subject to investment limits include up to: [102]

- Twenty-five percent of the credit union's capital in shares or deposit accounts in any one corporate credit union or other insured financial depository institution.
- One percent of the credit union's capital in corporate obligations of any one corporation which is an affiliate or subsidiary of the credit union in certain circumstances.
- Five percent of the credit union's capital in real estate and improvements, furniture, fixtures, and equipment utilized by the credit union for the transaction of business. Credit unions may

[90] National Credit Union Administration, *Overview of Federal Credit Unions*, April 14, 2022, https://ncua.gov/regulation-supervision/manuals-guides/federal-credit-union-charter-application-guide/overview-federal-credit-unions (last visited Jan. 29, 2026).
[91] Section 655.005(1)(k), F.S., states that the Financial Institutions Codes includes ch. 657, credit unions.
[92] National Credit Union Service Organization, *Florida Credit Unions*, Florida Credit Unions (last visited Jan. 29, 2026).
[93] 2025 OFR Fast Facts at p. 4.
[94] Section 657.023(1), F.S.
[95] Section 657.031(3), F.S.
[96] Section 657.005(1), F.S.
[97] Section 657.005(2), F.S.
[98] Section 657.005(3), F.S.
[99] Section 657.024(1), F.S.
[100] Section 657.024(2), F.S.
[101] Section 657.024(4), F.S.
[102] Section 657.042, F.S.

receive prior written approval from the OFR to exceed the five percent limit if the following criteria is met:
- The proposed investment is necessary.
- The amount is commensurate with the size and needs of the credit union.
- The investment will be beneficial to the members.
- A reasonable plan is developed to reduce the investment to statutory limits.

In 2015, the NCUA removed the federal regulation that restricted federal credit unions from investing more than five percent aggregate in fixed-asset investments.[103]

Examination Costs

Financial Institutions

The OFR is required to conduct examinations of each financial institution at least once every 18 months. The OFR has discretion on whether to conduct more frequent examinations based upon the financial institution's risk profile, prior examination results, or significant changes in the institution or its operations.[104] The OFR may rely upon an examination conducted by an appropriate federal regulatory agency or may conduct a joint examination with the federal agency.[105] The OFR may conduct an examination or investigation of an affiliate[106] if the OFR has reason to believe that the conduct or business operations of such affiliate may have a negative impact on the state financial institution.[107]

The OFR may recover costs[108] of examination and supervision of a state financial institution, subsidiary, or service corporation that is engaged in an unsafe or unsound practice. The OFR may also recover costs of an authorized examination or investigation of an affiliate. Any costs a financial institution pays by mail must be postmarked within 30 days after the date of receipt of the notice stating that such costs are due. [109]

Family Trust Companies

The OFR may conduct an examination or investigation of a licensed family trust company to determine whether such company has violated or is about to violate any provision of ch. 662, F.S., any applicable provision of the Financial Institutions Code, or any rule adopted by the commission.[110] The OFR may also conduct an examination or investigation of a family trust company or foreign licensed family trust company to determine whether any applicable

[103] The NCUA, *Fixed-Asset Rule Provides Relief to More than 3,800 Federal Credit Unions*, July 2015, Fixed-Asset Rule Provides Relief to More than 3,800 Federal Credit Unions | NCUA (last visited Jan. 29, 2026).
[104] Section 655.045(1), F.S.
[105] Section 655.045(1)(a), F.S.
[106] Section 655.005(1)(a), F.S., defines "affiliate" as a holding company of a financial institution established pursuant to state or federal law, a subsidiary or service corporation of such holding company, or a subsidiary or service corporation of a financial institution.
[107] Section 655.045(1)(b), F.S.
[108] Section 655.045(1)(d), F.S., defines "costs" as the salary and travel expenses directly attributable to the field staff examining the state financial institution, subsidiary, or service corporation, and the travel expenses of any supervisory staff required as a result of examination findings.
[109] Section 655.045(1)(c), F.S.
[110] Section 662.141, F.S.

provisions of the Financial Institutions Code has been violated or whether such company has engaged in any of the following conduct:[111]

- Engaged in commercial banking;
- Engaged in unlicensed fiduciary services with the public;
- Served as personal representative or a copersonal representative of a probate estate;
- Served as an attorney in fact or agent;[112] or
- Advertised its services to the public.[113]

A family trust company, licensed family trust company, or foreign licensed family trust company must pay a fee for the costs[114] of the examinations conducted by the OFR. Any costs mailed by a trust company must be postmarked within 30 days after the receipt of a notice stating that the costs are due.[115]

III. Effect of Proposed Changes:

CS/SB 540, an act relating to the Office of Financial Regulation (OFR), modifies provisions of laws governing financial services regulated by OFR.

Cybersecurity

The bill creates three new sections relating to information security programs and cybersecurity event investigations. **Sections 1 and 7** of the bill subject: (a) mortgage brokers and lenders, and (b) money services businesses, to such cybersecurity regulation that are patterned after the Federal Safeguard Rules. **Section 8** subjects financial institutions to security requirements that are similar to the security requirements under consumer protection laws.

Mortgage Brokers and Lenders, and Money Services Businesses

Sections 1 and 7 of the bill regulate information security programs and cybersecurity event investigations of mortgage brokers and lenders, and money services businesses (MSB).

Information Security Program Requirements

Each licensee must develop, implement, and maintain a comprehensive written information security program that contains administrative, technical, and physical safeguards for the protection of the licensee's information system and nonpublic personal information. Each licensee must ensure that the information security program meets all of the following criteria:

- Be commensurate with the following measures:
  - Size and complexity of the licensee.
  - Nature and scope of the licensee's activities.

[111] *Id.*
[112] Section 662.131, F.S.
[113] Section 662.134, F.S.
[114] Section 662.141(4), F.S., defines "costs" as the salary and travel expenses of field staff which are directly attributable to the examination of the trust company and the travel expenses of any supervisory and support staff required as a result of the examination findings.
[115] *Id.*

  - Sensitivity of nonpublic personal information that is used by the licensee or that is in the licensee's possession, custody, or control.
- Be designed to do all of the following:
  - Protect the security and confidentiality of nonpublic personal information and the security of the licensee's information system.
  - Protect against threats or hazards to the security or integrity of nonpublic personal information and the licensee's information system.
  - Protect against unauthorized access to or the use of nonpublic personal information and minimize the likelihood of harm to any customer.
- Define and periodically reevaluate the retention schedule and the mechanism for the destruction of nonpublic personal information if retention is no longer necessary for the licensee's business operations or required by law.
- Regularly test and monitor systems and procedures for the detection of actual and attempted attacks on, or intrusions into, the licensee's information system.
- Be monitored, evaluated, and adjusted to meet the following requirements:
  - Determine whether the licensee's program is consistent with relevant changes in technology.
  - Confirm the licensee's program accounts for the sensitivity of nonpublic personal information.
  - Identify changes that may be necessary to the licensee's information system.
  - Eliminate any internal or external threats to nonpublic personal information.
  - Amend the licensee's program for any of the licensee's changing business arrangements, such as mergers and acquisitions, alliances and joint ventures, and outsourcing arrangements.

The licensee must establish a written incident response plan designed to promptly respond to, and recover from, a cybersecurity event that includes:
- The confidentiality, integrity, or availability of nonpublic personal information in the licensee's possession;
- The licensee's information system; or
- The continuing functionality of any aspect of the licensee's operations.

The written incident response plan must address all of the following:
- The licensee's internal process for responding to a cybersecurity event.
- The licensee's incident response plan goals.
- The assignment of clear roles, responsibilities, and levels of decision making authority for the licensee's personnel that participate in the incident response plan.
- External communications, internal communications, and information sharing related to a cybersecurity event.
- The identification of remediation requirements for weaknesses identified in information systems and associated controls.
- The documentation and reporting regarding cybersecurity events and related incident response activities.
- The evaluation and revision of the incident response plan following a cybersecurity event.
- The process by which any required notice must be given.

A licensee that has fewer than:

- Twenty employees or independent contractors on its workforce; or
- Five hundred customers during a calendar year are not subject to the information technology program and cybersecurity event investigation requirements created in the bill. A licensee that no longer qualifies for such an exemption has 180 calendar days to comply with the requirements after the date of the disqualification. Each licensee shall maintain a copy of the information security program for a minimum of five years and must make it available to the office upon request or as part of an examination.

Cybersecurity Event Investigations

A licensee, or an outside vendor or third-party service provider that the licensee has designated to act on its behalf, must conduct a prompt investigation of the cybersecurity event if a cybersecurity event has or may have occurred. During the investigation, the licensee or outside vendor or third-party service provider must, to the extent possible comply with the following minimum requirements:

- Confirm that a cybersecurity event has occurred.
- Identify the date that the event first occurred.
- Assess the nature and scope of the cybersecurity event.
- Identify all nonpublic personal information that may have been compromised.
- Perform or oversee reasonable measures to restore the security of any compromised information system in order to prevent further unauthorized acquisition, release, or use of nonpublic personal information that is in the licensee's, outside vendor's, or third-party service provider's possession, custody, or control.

If a licensee learns that a cybersecurity event has occurred, or may have occurred, in an information system maintained by a third-party service provider of the licensee, the licensee must complete an investigation or confirm and document that the third-party service provider has completed an investigation that complies with the requirements provided in the bill and summarized above. A licensee must maintain all records and documentation related to the licensee's investigation of a cybersecurity event for a minimum of five years and must produce the records and documentation to the OFR upon request.

Notice of Security Breach

Each licensee must provide notice as prescribed by commission rule to the OFR of any security breach affecting 500 or more individuals. Upon the OFR's request, each licensee must provide a quarterly update of a cybersecurity event investigation until conclusion of the investigation.

Construction

The bill provides that covered entities are not relieved from complying with s. 501.171, F.S., and any licensee that is a covered entity under that chapter remains subject to the requirements of that section.

Rules

The bill authorizes the commission to adopt rules to administer the sections, including rules that allow a licensee that is in full compliance with the Safeguard Rules to be deemed in compliance with information security program requirements.

Definitions

The bill defines all of the following terms:

- "Customer" means a person who seeks to obtain or who obtains or has obtained a financial product or service from a licensee.
- "Customer information" means any record containing nonpublic personal information about a customer of a financial transaction, whether on paper, electronic, or in other forms, which is handled or maintained by or on behalf of the licensee or its affiliates.
- "Cybersecurity event" means an event resulting in unauthorized access to, or disruption or misuse of, an information system, information stored on such information system, or customer information held in physical form.
- "Financial product or service" means any product or service offered by a licensee.
- "Information security program" means the administrative, technical, or physical safeguards used to access, collect, distribute, process, protect, store, use, transmit, dispose of, or otherwise handle customer information.
- "Information system" means a discrete set of electronic information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of electronic information, as well as any specialized system such as an industrial process control system, telephone switching and private branch exchange system, or environmental control system, which contain customer information or which are connected to a system that contains customer information.
- "Licensee" means a person licensed under the relevant chapter 494 or 560, F.S.
- "Nonpublic personal information" means:
    - Personally identifiable financial information;[116] and
    - Any list, description, or other grouping of customers which is derived using any personally identifiable financial information that is not publicly available, such as account numbers, including any list of individuals' names and street addresses which is derived, in whole or in part, using personally identifiable financial information that is not publicly available.
    - The term does not include:
    - Publicly available information,[117] except as included on a list, description, or other grouping of customers described above;

[116] "Personally identifiable financial information" means any information that: (A) A customer provides to a licensee to obtain a financial product or service, such as information that a customer provides to a licensee on an application to obtain a loan or other financial product or service; (B) A licensee receives about a consumer which is obtained during or as a result of any transaction involving a financial product or service between the licensee and the customer, such as information collected through an information-collecting device from a web server; or (C) A licensee otherwise obtains about a customer in connection with providing a financial product or service to the customer, such as the fact that an individual is or has been one of the licensee's customers or has obtained a financial product or service from the licensee. The term "personally identifiable financial information" does not include: (A) A list of names and addresses of customers of an entity that is not a financial institution; or (B) Information that does not identify a customer, such as blind data or aggregate information that does not contain personal identifiers such as account numbers, names, or addresses.

[117] "Publicly available information" means any information that a licensee has a reasonable basis to believe is lawfully made available to the general public from: (A) Federal, state, or local government records, such as government real estate records

  - Any list, description, or other grouping of consumers, or any publicly available information pertaining to such list, description, or other grouping of consumers, which is derived without using any personally identifiable financial information that is not publicly available; or
  - Any list of individuals' names and addresses which contain only publicly available information, is not derived, in whole or in part, using personally identifiable financial information that is not publicly available, and is not disclosed in a manner that indicates that any of the individuals on the list is a customer of a licensee.
- "Third-party service provider" means a person, other than a licensee, which contracts with a licensee to maintain, process, or store nonpublic personal information, or is otherwise permitted access to nonpublic personal information through its provision of services to a licensee.

Financial Institutions

Section 8 of the bill requires each financial institution to take reasonable measures to protect and secure data that are in electronic form and that contain personal information.

Required Notices

Each financial institution must provide notice that meet specified requirements of any security breach affecting 500 or more individuals in Florida to all of the following entities or individuals:

- The OFR as expeditiously as practicable, but no later than 30 days after a determination that a breach has occurred or a reason to believe that a breach has occurred which must include all requirements under s. 501.171(3)(b), F.S., [118] and must include all of the following items:[119]
  - Upon request, provide the following information:
  - A police report, incident report, or computer forensics report.
  - A copy of the policies in place regarding breaches.
  - Steps that have been taken to rectify the breach.

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or security interest filings; (B) Widely distributed media, such as information from a telephone records repository or directory, a television or radio program, a newspaper, a social media platform, or a website that is available to the general public on an unrestricted basis. A website is not restricted merely because an Internet service provider or a site operator requires a fee or a password, so long as access is available to the general public; or (C) Disclosures to the general public which are required to be made by federal, state, or local law. The term "reasonable basis to believe is lawfully made available to the general public" relating to any information means that the person has taken steps to determine: (A) That the information is of the type that is available to the general public, such as information included on the public record in the jurisdiction where the mortgage would be recorded; and (B) Whether an individual can direct that the information not be made available to the general public and, if so, the customer to whom the information relates has not done so, such as when a telephone number is listed in a telephone directory and the customer has informed the licensee that the telephone number is not unlisted.

[118] Section 501.171(3)(b), F.S. (requiring the following information to be provided in the written notice to the DLA: 1. A synopsis of the events surrounding the breach; 2. The number of individuals in the state who were or potentially have been affected by the breach; 3. Any services related to the breach being offered or scheduled to be offered, without charge, by the covered entity to individuals, and instructions how to use such services; 4. A copy of the notice required to be provided to individuals or an explanation of the other actions taken regarding such notice; 5. The name, address, telephone number, and e-mail address of the employee or agent of the covered entity from whom additional information may be obtained about the breach).

[119] A financial institution may provide the OFR with supplemental information at any time.

- The Department of Legal Affairs (DLA) in accordance with notice requirements of any security breach under consumer protection laws.[120]
- Each individual in this state whose personal information was, or the financial institution reasonably believes to have been, accessed as a result of the breach in accordance with the notice requirements of any security breach under consumer protection laws.[121] Such notice must be provided no later than 30 days after the determination of the breach or the determination of a reason to believe that a breach has occurred. This deadline may be extended for an additional 15 days if good cause for delay is provided in writing to the OFR within 30 days after determination of the breach or the reason to believe that a breach has occurred.
- If a financial institution discovers circumstances requiring notice to more than 1,000 individuals at a single time, the financial institution shall also notify, without unreasonable delay, all consumer reporting agencies that compile and maintain files on a nationwide basis[122] of the timing, distribution, and content of the notices.

Definitions

- "Breach of security" or "breach" means unauthorized access of data in electronic form[123] containing personal information. Good faith access of personal information by an employee or agent of a financial institution does not constitute a breach of security, provided that the information is not used for a purpose unrelated to the business or subject to further unauthorized use.
- "Department" means the Department of Legal Affairs.
- "Personal information" means:
  - An individual's first name, or first initial, and last name, in combination with any of the following data for that individual:
    - A social security number;
    - A driver license or identification card number, passport number, military identification number, or other similar number issued on a government document;
  - A financial account number or credit or debit card number, in combination with any required security code, access code, or password that is necessary to permit access to the individual's financial account;
    - The individual's biometric data;[124] or
    - Any information regarding the individual's geolocation; or
  - A username or e-mail address, in combination with a password or security question and answer that would permit access to an online account.
  - The term does not include:

[120] *See* s. 501.171(3), F.S.
[121] *See* s. 501.171(4), F.S.
[122] 15 U.S.C. s. 1681a(p) defines "consumer reporting agency that complies and maintains files on consumers on a nationwide basis" as a consumer reporting agency that regularly engages in the practice of assembling or evaluating, and maintaining, for the purpose of furnishing consumer reports to third parties bearing on a consumer's credit worthiness, credit standing, or credit capacity, each of the following regarding consumers residing nationwide: (1) public record information. (2) Credit account information from persons who furnish that information regularly and in the ordinary course of business.
[123] The term "data in electronic form" means any data stored electronically or digitally on any computer system or other database and includes recordable tapes and other mass storage devices.
[124] *Supra* note 16.

- Information about an individual which has been made publicly available by a federal, state, or local governmental entity.
- Information that is encrypted, secured, or modified by any other method or technology that removes elements that personally identify an individual or that otherwise renders the information unusable.

Disciplinary Actions and Penalties

Section 2 of the bill subjects mortgage brokers and mortgage lenders who are covered under the cybersecurity regulation to any administrative fines or penalties provided in s. 494.00255, F.S., for failure to comply with notification requirements to the DLA and individuals whose personal information was, or the covered entity reasonably believes to have been, accessed as a result of the breach.[125] **Section 6** of the bill subjects money services businesses who are covered under the cybersecurity regulation to any disciplinary actions or penalties provided in s. 560.114, F.S., for failing to make such notifications.

Securities Transactions

Section 3 of the bill amends the definition of "investment adviser" to exclude the following persons from regulation as investment advisers:

- During the preceding 12 months, a person that:
  - Without a place of business in the state, has had fewer than six clients who are residents of the state.
  - With a place of business in the state, has had fewer than six clients who are residents of the state and no clients who are not residents of the state.

Current law provides a person that, during the preceding 12 months, has fewer than six clients who are residents of Florida are not investment advisers without distinguishing whether the place of business is in the state. Therefore, the amendment in the bill narrows the exemption in current law to provide that a person who has a place of business in Florida is not an investment adviser only if such business has no clients who are residents out-of-state during the preceding 12 months.

- A family office as defined by specified provisions in Securities and Exchange Commission Rule under the Investment Advisers Act of 1940, as amended.[126] The bill clarifies when determining whether a person meets the definition of "family offices," the following terms have the same meaning as in Securities and Exchange Commission Rule 202(a)(11)(G)-1(d), 17 C.F.R. s. 275.202(a)(11)(G)-1(d):
  - Affiliated family office;[127]
  - Control;[128]

[125] *See* s. 501.171(3) and (4), F.S.
[126] *Supra* 35; 17 C.F.R. s. 275.202(a)(11)(G)-1(b).
[127] 17 C.F.R. s. 275.202(a)(11)(G)-1(d)(1) defines "affiliated family office" as a family office wholly owned by family clients of another family office and that is controlled (directly or indirectly) by one or more family members of such other family office and/or family entities affiliated with such other family office and has no clients other than family clients of such other family office.
[128] 17 C.F.R. s. 275.202(a)(11)(G)-1(d)(2) defines "control" as the power to exercise a controlling influence over the management or policies of a company, unless such power is solely the result of being an officer of such company.

- Executive officer;[129]
- Family client;[130]
- Family entity;[131]
- Family member;[132]
- Former family member;[133]
- Key employee;[134] and
- Spousal equivalent.[135]

Section 4 of the bill provides the same definitions for these terms to clarify when an offer or sale of securities to a "family office" is exempt from registration requirements. Cross-references to the Securities and Exchange Commission Rule that defines "family office" are updated.

Section 3 of the bill also defines "place of business" as an office at which the investment adviser regularly provides investment advisory services to, solicits, meets with, or otherwise communicates with clients; and any other location that is held out to the general public as a location at which the investment adviser provides investment advisory services to, solicits, meets with, or otherwise communicates with clients.

Surrendered or Repossessed Motor Vehicles

Section 5 of the bill provides that a parties' rights and obligations with respect to a surrendered or repossessed motor vehicle are exclusively governed by the Uniform Commercial Code, Secured Transactions, part VI of ch. 679, F.S.

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[129] 17 C.F.R. s. 275.202(a)(11)(G)-1(3) defines "executive officer" as the president, any vice president in charge of a principal business unit, division or function (such as administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions, for the family office.
[130] *Supra* 36.
[131][131] 17 C.F.R. s. 275.202(a)(11)(G)-1(5) defines "family entity" as any of the trusts, estates, companies or other entities described in the definition of "family client" in 17 C.F.R. s. 275.202(a)(11)(G)-1(d)(4)(v)-(ix) or (xi), but excluding key employees and their trusts from the definition of family client solely for purposes of this definition.
[132] 17 C.F.R. s. 275.202(a)(11)(G)-1(6) defines "family member" as all lineal descendants (including by adoption, stepchildren, foster children, and individuals that were a minor when another family member became a legal guardian of that individual) of a common ancestor (who may be living or deceased), and such lineal descendants' spouses or spousal equivalents; provided that the common ancestor is no more than 10 generations removed from the youngest generation of family members.
[133] 17 C.F.R. s. 275.202(a)(11)(G)-1(7) defines "former family member" as a spouse, spousal equivalent, or stepchild that was a family member but is no longer a family member due to a divorce or other similar event.
[134][134] 17 C.F.R. s. 275.202(a)(11)(G)-1(8) defines "key employee" as any natural person (including any key employee's spouse or spouse equivalent who holds a joint, community property, or other similar shared ownership interest with that key employee) who is an executive officer, director, trustee, general partner, or person serving in a similar capacity of the family office or its affiliated family office or any employee of the family office or its affiliated family office (other than an employee performing solely clerical, secretarial, or administrative functions with regard to the family office) who, in connection with his or her regular functions or duties, participates in the investment activities of the family office or affiliated family office, provided that such employee has been performing such functions and duties for or on behalf of the family office or affiliated family office, or substantially similar functions or duties for or on behalf of another company, for at least 12 months.
[135] 17 C.F.R. s. 275.202(a)(11)(G)-1(9) defines "spousal equivalent" as cohabitant occupying a relationship generally equivalent to that of a spouse.

Money Services Businesses Disciplinary Actions and Penalties

Grounds for Disciplinary Actions and Penalties

Section 6 of the bill clarifies that an affiliated of a money services business that is subject to disciplinary actions and penalties of ch. 560, F.S., must be affiliated at the time of commission of the actions. Grounds for disciplinary actions and penalties are expanded to include being convicted, or entering a plea to a crime, regardless of adjudication, to the following provisions:

- A violation of the 31 U.S.C., Bank Secrecy Act, relating to:
  - Section 5318 requiring appropriate procedures and reporting requirements to guard against money laundering, the financing of terrorism, or other forms of illicit finance; compliance with lawful summons; and reporting suspicious transactions.
  - Section 5322 providing for criminal penalties relating to the following provisions or rules prescribed under such sections:
    - 31 USC Subtitle IV, Chapter 53, Subchapter II (except ss. 5315, 5324, and 5336), relating to records and reports on money instruments transactions or an order issued under such subchapter.
    - Section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91-508, relating to retention of records and compliance with such retention requirements by depository institutions.
    - 31 U.S.C. s. 5318(a)(2) relating to a domestic financial institutions obligation to maintain appropriate procedures to ensure compliance with anti-money laundering regulations.
    - 31 U.S.C. s. 5318(i) relating to certain financial institution's requirements to maintain due diligence policies and procedures.
    - 31 U.S.C. s. 5318(j) relating to prohibitions on United States Correspondent Accounts with Foreign Shell Banks.
    - 31 U.S.C. s. 5318A relating to special measures required by the Secretary of Treasury.
- A violation of 31 C.F.R. ch. X, part 1022, relating to rules for anti-money laundering programs for money services businesses, including requirements to establish policies and procedures for such program, and comply with reporting and filing provisions.

Orders Suspending a License

The bill requires, rather than authorizes, the OFR to issue an emergency order suspending, rather than summarily suspending, a money services business license when the OFR finds that a licensee poses an immediate, serious danger to the public health, safety, and welfare. A corresponding provision related to the OFR seeking a final order for the summary suspension is removed because the provision is no longer relevant.

No further findings of immediate danger, necessity, and procedural fairness are required before ordering the suspension in specified situations. One such situation applies when a MSB fails to maintain a federally insured depository account as required by s. 560.309, F.S., The bill amends this provision to include when a MSB fails to maintain a federally insured depository account as required by s. 560.208, F.S., in addition to s. 560.309, F.S., already referenced in current law.

Financial Institutions Director and Officer Qualifications

Sections 13 and 14 of the bill modifies when the OFR must approve an application for the creation of a banking or trust corporation to require at least two of the proposed directors who are not also proposed officers, and the proposed president or chief executive officer, to have at least one year of direct experience as an executive officer, regulator, or director within the last 10 years, rather than within the last five years. The bill requires, rather than authorizes, the OFR to waive this experience requirement for the proposed president or chief executive officer after considering the specified criteria in current law.[136]

Similarly, directors' minimum qualifications are amended to require (a) in the case of a bank or trust company with a total assets of less than $150 million, at least one director, and (b) in the case of a bank or trust company with total assets of $150 million or more, two of the directors, who are not also officers of the bank or trust company at least one year of direct experience as an executive officer, regulator, or director of a financial institution within the 10 years, rather than the last five years.

Credit Unions

Member Qualifications and Meetings

Section 10 of the bill reduces the number of individuals who apply to organize a credit union that must reside in the state from all individuals to a majority of individuals.

Section 11 of the bill removes investment restrictions in real estate and equipment for the credit union. The section also allows credit union members to meet electronically for annual and special meetings and without an in-person quorum and provides virtual attendance may satisfy quorum requirements, subject to the credit union's bylaws.

Investments

Section 12 of the bill repeals a provision that provides a credit union may invest only up to five percent of the credit union's capital in real estate and improvements, furniture, fixtures, and equipment utilized by the credit union for the transaction of business. A related provision is also repealed allowing credit unions to exceed the five percent limit with prior written approval by the OFR if all the specified criteria are met. This amendment is intended to make state credit unions more competitive with federal credit unions that no longer must comply with similar requirements. Further, the OFR reports that the "NCUA's examination and supervision program will address credit unions' safe and sound management of fixed assets."[137]

Examination costs

Sections 9 and 15 of the bill extend the time for a financial institution and family trust company to pay staff examination costs from 30 to 45 days.

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[136] *Supra* note 76.

[137] The OFR, *2025 Agency Legislative Bill Analysis for SB 1612* (March 10, 2025) (on file with Senate Committee on Banking and Insurance).

Section 16 of the bill amends s. 517.12(21), F.S., to update a cross-reference.

Section 17 provides the bill is effective July 1, 2026.

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:

None.

C. Government Sector Impact:

The bill does not impact state revenues or expenditures.[138]

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

[138] The OFR, *2026 Agency Legislative Bill Analysis for SB 540* (Dec. 29, 2025), p. 5, (on file with the Senate Committee on Banking and Insurance).

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 494.00255, 517.021, 517.061, 520.135, 560.114, 655.045, 657.005, 657.024, 657.042, 658.21, 658.33, 662.141, and 517.12.

This bill creates the following sections of the Florida Statutes: 494.00123, 560.1311, and 655.0171.

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 Committee on January 13, 2026:

- Provides that parties' rights and obligations relating to a surrendered or repossessed motor vehicle are governed exclusively by the Uniform Commercial Code;
- Clarifies that credit union annual and special meetings held virtually do not require a quorum in-person;
- Allows credit unions to consider virtual attendees to satisfy quorum requirements for annual and special meetings held virtually;
- Clarifies when a person meets a definition of "family office" for purposes of an exemption as an investment adviser and an exemption from registration requirements for an offer or sale of securities; and
- Removes **Section 4** of the bill that modifies the Financial Technology Sandbox provisions.

B. Amendments:

None.

By the Committee on Banking and Insurance; and Senator Martin

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A bill to be entitled

An act relating to the Office of Financial Regulation; creating s. 494.00123, F.S.; defining terms; requiring loan originators, mortgage brokers, and mortgage lenders to develop, implement, and maintain comprehensive written information security programs for the protection of information systems and nonpublic personal information; providing requirements for such programs; requiring loan originators, mortgage brokers, and mortgage lenders to establish written incident response plans for specified purposes; providing requirements for such plans; providing applicability; providing compliance requirements under specified circumstances; requiring loan originators, mortgage brokers, and mortgage lenders to maintain copies of information security programs for a specified timeframe and to make them available to the Office of Financial Regulation under certain circumstances; requiring loan originators, mortgage brokers, and mortgage lenders and certain entities to conduct investigations of cybersecurity events under certain circumstances; providing requirements for such investigations; providing requirements for records and documentation maintenance; providing requirements for notices of security breaches; providing construction; providing rulemaking authority; amending s. 494.00255, F.S.; providing additional acts that constitute a ground for specified disciplinary actions against loan

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originators and mortgage brokers; amending s. 517.021, F.S.; revising the definition of the term "investment adviser" and defining terms; amending s. 517.061, F.S.; defining terms; creating s. 520.135, F.S.; specifying that the rights and obligation of parties with respect to a surrendered or repossessed motor vehicle are exclusively governed by certain provisions; amending s. 560.114, F.S.; specifying the entities that are subject to certain disciplinary actions and penalties; revising the list of actions by money services businesses which constitute grounds for certain disciplinary actions and penalties; requiring, rather than authorizing, the office to suspend licenses of money services businesses under certain circumstances; creating s. 560.1311, F.S.; defining terms; requiring money services businesses to develop, implement, and maintain comprehensive written information security programs for the protection of information systems and nonpublic personal information; providing requirements for such programs; requiring money services businesses to establish written incident response plans for specified purposes; providing requirements for such plans; providing applicability; providing compliance requirements under specified circumstances; requiring money services businesses to maintain copies of information security programs for a specified timeframe and to make them available to the office under certain circumstances; requiring money services

businesses and certain entities to conduct investigations of cybersecurity events under certain circumstances; providing requirements for such investigations; providing requirements for records and documentation maintenance; providing requirements for notices of security breaches; providing construction; providing rulemaking authority; creating s. 655.0171, F.S.; defining terms; requiring financial institutions to take measures to protect and secure certain data that contain personal information; providing requirements for notices of security breaches to the office, the Department of Legal Affairs, certain individuals, and certain credit reporting agencies; amending s. 655.045, F.S.; revising the timeline for the mailing of payment for salary and travel expenses of certain field staff; amending s. 657.005, F.S.; revising requirements for permission to organize credit unions; amending s. 657.024, F.S.; authorizing meetings of credit union members to be held virtually without an in-person quorum and authorizing virtual attendance to satisfy quorum requirements under certain circumstances; amending s. 657.042, F.S.; removing provisions that impose limitations on investments in real estate and equipment for credit unions; amending s. 658.21, F.S.; revising requirements and factors for approving applications for organizing banks and trust companies; amending s. 658.33, F.S.; revising requirements for directors of certain banks and trust companies; amending s.

662.141, F.S.; revising the timeline for the mailing of payment for the salary and travel expenses of certain field staff; amending s. 517.12, F.S.; conforming a cross-reference; providing an effective date.

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

Section 1. Section 494.00123, Florida Statutes, is created to read:

494.00123 Information security programs; cybersecurity event investigations.—

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

(a) "Customer" means a person who seeks to obtain or who obtains or has obtained a financial product or service from a licensee.

(b) "Customer information" means any record containing nonpublic personal information about a customer of a financial transaction, whether on paper, electronic, or in other forms, which is handled or maintained by or on behalf of the licensee or its affiliates.

(c) "Cybersecurity event" means an event resulting in unauthorized access to, or disruption or misuse of, an information system, information stored on such information system, or customer information held in physical form.

(d) "Financial product or service" means any product or service offered by a licensee under this chapter.

(e) "Information security program" means the administrative, technical, or physical safeguards used to

access, collect, distribute, process, protect, store, use, transmit, dispose of, or otherwise handle customer information.

(f) "Information system" means a discrete set of electronic information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of electronic information, as well as any specialized system such as an industrial process control system, telephone switching and private branch exchange system, or environmental control system, which contain customer information or which are connected to a system that contains customer information.

(g) "Licensee" means a person licensed under this chapter.

(h)1. "Nonpublic personal information" means:

a. Personally identifiable financial information; and

b. Any list, description, or other grouping of customers which is derived using any personally identifiable financial information that is not publicly available, such as account numbers, including any list of individuals' names and street addresses which is derived, in whole or in part, using personally identifiable financial information that is not publicly available.

2. The term does not include:

a. Publicly available information, except as included on a list, description, or other grouping of customers described in sub-subparagraph 1.b.;

b. Any list, description, or other grouping of consumers, or any publicly available information pertaining to such list, description, or other grouping of consumers, which is derived without using any personally identifiable financial information that is not publicly available; or

c. Any list of individuals' names and addresses which contains only publicly available information, is not derived, in whole or in part, using personally identifiable financial information that is not publicly available, and is not disclosed in a manner that indicates that any of the individuals on the list is a customer of a licensee.

3. As used in this paragraph, the term:

a.(I) "Personally identifiable financial information" means any information that:

(A) A customer provides to a licensee to obtain a financial product or service, such as information that a customer provides to a licensee on an application to obtain a loan or other financial product or service;

(B) A licensee receives about a consumer which is obtained during or as a result of any transaction involving a financial product or service between the licensee and the customer, such as information collected through an information-collecting device from a web server; or

(C) A licensee otherwise obtains about a customer in connection with providing a financial product or service to the customer, such as the fact that an individual is or has been one of the licensee's customers or has obtained a financial product or service from the licensee.

(II) The term "personally identifiable financial information" does not include:

(A) A list of names and addresses of customers of an entity that is not a financial institution; or

(B) Information that does not identify a customer, such as blind data or aggregate information that does not contain

personal identifiers such as account numbers, names, or addresses.

b.(I) "Publicly available information" means any information that a licensee has a reasonable basis to believe is lawfully made available to the general public from:

(A) Federal, state, or local government records, such as government real estate records or security interest filings;

(B) Widely distributed media, such as information from a telephone records repository or directory, a television or radio program, a newspaper, a social media platform, or a website that is available to the general public on an unrestricted basis. A website is not restricted merely because an Internet service provider or a site operator requires a fee or a password, so long as access is available to the general public; or

(C) Disclosures to the general public which are required to be made by federal, state, or local law.

(II) As used in this sub-subparagraph, the term "reasonable basis to believe is lawfully made available to the general public" relating to any information means that the person has taken steps to determine:

(A) That the information is of the type that is available to the general public, such as information included on the public record in the jurisdiction where the mortgage would be recorded; and

(B) Whether an individual can direct that the information not be made available to the general public and, if so, the customer to whom the information relates has not done so, such as when a telephone number is listed in a telephone directory and the customer has informed the licensee that the telephone

number is not unlisted.

(i) "Third-party service provider" means a person, other than a licensee, which contracts with a licensee to maintain, process, or store nonpublic personal information, or is otherwise permitted access to nonpublic personal information through its provision of services to a licensee.

(2) INFORMATION SECURITY PROGRAM.—

(a) Each licensee shall develop, implement, and maintain a comprehensive written information security program that contains administrative, technical, and physical safeguards for the protection of the licensee's information system and nonpublic personal information.

(b) Each licensee shall ensure that the information security program meets all of the following criteria:

1. Be commensurate with the following measures:

a. Size and complexity of the licensee.

b. Nature and scope of the licensee's activities, including the licensee's use of third-party service providers.

c. Sensitivity of nonpublic personal information that is used by the licensee or that is in the licensee's possession, custody, or control.

2. Be designed to do all of the following:

a. Protect the security and confidentiality of nonpublic personal information and the security of the licensee's information system.

b. Protect against threats or hazards to the security or integrity of nonpublic personal information and the licensee's information system.

c. Protect against unauthorized access to or the use of

nonpublic personal information and minimize the likelihood of harm to any customer.

3. Define and periodically reevaluate the retention schedule and the mechanism for the destruction of nonpublic personal information if retention is no longer necessary for the licensee's business operations or is no longer required by applicable law.

4. Regularly test and monitor systems and procedures for the detection of actual and attempted attacks on, or intrusions into, the licensee's information system.

5. Be monitored, evaluated, and adjusted, as necessary, to meet all of the following requirements:

a. Determine whether the licensee's information security program is consistent with relevant changes in technology.

b. Confirm the licensee's information security program accounts for the sensitivity of nonpublic personal information.

c. Identify changes that may be necessary to the licensee's information system.

d. Eliminate any internal or external threats to nonpublic personal information.

e. Amend the licensee's information security program for any of the licensee's changing business arrangements, including, but not limited to, mergers and acquisitions, alliances and joint ventures, and outsourcing arrangements.

(c)1. As part of a licensee's information security program, the licensee shall establish a written incident response plan designed to promptly respond to, and recover from, a cybersecurity event that compromises:

a. The confidentiality, integrity, or availability of

nonpublic personal information in the licensee's possession;

b. The licensee's information system; or

c. The continuing functionality of any aspect of the licensee's operations.

2. The written incident response plan must address all of the following:

a. The licensee's internal process for responding to a cybersecurity event.

b. The goals of the licensee's incident response plan.

c. The assignment of clear roles, responsibilities, and levels of decisionmaking authority for the licensee's personnel that participate in the incident response plan.

d. External communications, internal communications, and information sharing related to a cybersecurity event.

e. The identification of remediation requirements for weaknesses identified in information systems and associated controls.

f. The documentation and reporting regarding cybersecurity events and related incident response activities.

g. The evaluation and revision of the incident response plan, as appropriate, following a cybersecurity event.

h. The process by which notice must be given as required under subsection (4) and s. 501.171(3) and (4).

(d)1. This section does not apply to a licensee that has fewer than:

a. Twenty individuals on its workforce, including employees and independent contractors; or

b. Five hundred customers during a calendar year.

2. A licensee that no longer qualifies for exemption under

subparagraph 1. has 180 calendar days to comply with this section after the date of the disqualification.

(e) Each licensee shall maintain a copy of the information security program for a minimum of 5 years and shall make it available to the office upon request or as part of an examination.

(3) CYBERSECURITY EVENT INVESTIGATION.—

(a) If a licensee discovers that a cybersecurity event has occurred or that a cybersecurity event may have occurred, the licensee, or an outside vendor or third-party service provider that the licensee has designated to act on its behalf, shall conduct a prompt investigation of the cybersecurity event.

(b) During the investigation, the licensee, or the outside vendor or third-party service provider that the licensee has designated to act on its behalf, shall, at a minimum, determine as much of the following as possible:

1. Confirm that a cybersecurity event has occurred.

2. Identify the date that the cybersecurity event first occurred.

3. Assess the nature and scope of the cybersecurity event.

4. Identify all nonpublic personal information that may have been compromised by the cybersecurity event.

5. Perform or oversee reasonable measures to restore the security of any compromised information system in order to prevent further unauthorized acquisition, release, or use of nonpublic personal information that is in the licensee's, outside vendor's, or third-party service provider's possession, custody, or control.

(c) If a licensee learns that a cybersecurity event has

occurred, or may have occurred, in an information system maintained by a third-party service provider of the licensee, the licensee shall complete an investigation in compliance with this section or confirm and document that the third-party service provider has completed an investigation in compliance with this section.

(d) A licensee shall maintain all records and documentation related to the licensee's investigation of a cybersecurity event for a minimum of 5 years after the date of the cybersecurity event and shall produce the records and documentation to the office upon request.

(4) NOTICE TO OFFICE OF SECURITY BREACH.—

(a) Each licensee shall provide notice to the office of any breach of security affecting 500 or more individuals in this state at a time and in the manner prescribed by commission rule.

(b) Each licensee shall, upon the office's request, provide a quarterly update of a cybersecurity event investigation under subsection (3) until conclusion of the investigation.

(5) CONSTRUCTION.—This section may not be construed to relieve a covered entity from complying with s. 501.171. To the extent a licensee is a covered entity, as defined in s. 501.171(1), the licensee remains subject to s. 501.171.

(6) RULES.—The commission may adopt rules to administer this section, including rules that allow a licensee that is in full compliance with the Federal Trade Commission's Standards for Safeguarding Customer Information, 16 C.F.R. part 314, to be deemed in compliance with subsection (2).

Section 2. Paragraph (z) is added to subsection (1) of section 494.00255, Florida Statutes, to read:

494.00255 Administrative penalties and fines; license violations.—

(1) Each of the following acts constitutes a ground for which the disciplinary actions specified in subsection (2) may be taken against a person licensed or required to be licensed under part II or part III of this chapter:

(z) Failure to comply with the notification requirements in s. 501.171(3) and (4).

Section 3. Present subsections (28) through (36) of section 517.021, Florida Statutes, are redesignated as subsections (29) through (37), respectively, a new subsection (28) is added to that section, and subsection (20) of that section is amended, to read:

517.021 Definitions.—When used in this chapter, unless the context otherwise indicates, the following terms have the following respective meanings:

(20)(a) "Investment adviser" means a person, other than an associated person of an investment adviser or a federal covered adviser, that receives compensation, directly or indirectly, and engages for all or part of the person's time, directly or indirectly, or through publications or writings, in the business of advising others as to the value of securities or as to the advisability of investments in, purchasing of, or selling of securities.

(b) The term does not include any of the following:

1. A dealer or an associated person of a dealer whose performance of services in paragraph (a) is solely incidental to the conduct of the dealer's or associated person's business as a dealer and who does not receive special compensation for those

services.

2. A licensed practicing attorney or certified public accountant whose performance of such services is solely incidental to the practice of the attorney's or accountant's profession.

3. A bank authorized to do business in this state.

4. A bank holding company as defined in the Bank Holding Company Act of 1956, as amended, authorized to do business in this state.

5. A trust company having trust powers, as defined in s. 658.12, which it is authorized to exercise in this state, which trust company renders or performs investment advisory services in a fiduciary capacity incidental to the exercise of its trust powers.

6. A person that renders investment advice exclusively to insurance or investment companies.

7. A person:

a. Without a place of business in this state if the person has had ~~that~~, during the preceding 12 months, ~~has~~ fewer than six clients who are residents of this state.

b. With a place of business in this state if the person has had, during the preceding 12 months, fewer than six clients who are residents of this state and no clients who are not residents of this state.

As used in this subparagraph, the term "client" has the same meaning as provided in Securities and Exchange Commission Rule 222-2 ~~275.222-2~~, 17 C.F.R. s. 275.222-2, as amended.

8. A federal covered adviser.

9. The United States, a state, or any political subdivision of a state, or any agency, authority, or instrumentality of any such entity; a business entity that is wholly owned directly or indirectly by such a governmental entity; or any officer, agent, or employee of any such governmental or business entity who is acting within the scope of his or her official duties.

10. A family office as defined in Securities and Exchange Commission Rule 202(a)(11)(G)-1(b) under the Investment Advisers Act of 1940, 17 C.F.R. s. 275.202(a)(11)(G)-1(b), as amended. In determining whether a person meets the definition of a family office under this subparagraph, the terms "affiliated family office," "control," "executive officer," "family client," "family entity," "family member," "former family member," "key employee," and "spousal equivalent" have the same meaning as in Securities and Exchange Commission Rule 202(a)(11)(G)-1(d), 17 C.F.R. s. 275.202(a)(11)(G)-1(d).

(28) "Place of business" of an investment adviser means an office at which the investment adviser regularly provides investment advisory services to, solicits, meets with, or otherwise communicates with clients; and any other location that is held out to the general public as a location at which the investment adviser provides investment advisory services to, solicits, meets with, or otherwise communicates with clients.

Section 4. Paragraph (i) of subsection (9) 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:

(9) The offer or sale of securities to:

(i) A family office as defined in Securities and Exchange Commission Rule 202(a)(11)(G)-1(b) ~~202(a)(11)(G)-1~~ under the Investment Advisers Act of 1940, 17 C.F.R. s. 275.202(a)(11)(G)-1(b) ~~s. 275.202(a)(11)(G)-1~~, as amended, provided that:

1. The family office has assets under management in excess of $5 million;

2. The family office is not formed for the specific purpose of acquiring the securities offered; and

3. The prospective investment of the family office is directed by a person who has knowledge and experience in financial and business matters that the family office is capable of evaluating the merits and risks of the prospective investment.

In determining whether a person meets the definition of a family office under this paragraph, the terms "affiliated family office," "control," "executive officer," "family client," "family entity," "family member," "former family member," "key employee," and "spousal equivalent" have the same meaning as in Securities and Exchange Commission Rule 202(a)(11)(G)-1(d), 17 C.F.R. s. 275.202(a)(11)(G)-1(d).

Section 5. Section 520.135, Florida Statutes, is created to read:

520.135 Surrendered or repossessed vehicles.—The rights and obligations of parties with respect to a surrendered or repossessed motor vehicle are exclusively governed by part VI of chapter 679.

Section 6. Subsections (1) and (2) of section 560.114, Florida Statutes, are amended to read:

560.114 Disciplinary actions; penalties.—

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

(a) Failure to comply with any provision of this chapter or related rule or order, or any written agreement entered into with the office.

(b) Fraud, misrepresentation, deceit, or gross negligence in any transaction by a money services business, regardless of reliance thereon by, or damage to, a customer.

(c) Fraudulent misrepresentation, circumvention, or concealment of any matter that must be stated or furnished to a customer pursuant to this chapter, regardless of reliance thereon by, or damage to, such customer.

(d) False, deceptive, or misleading advertising.

(e) Failure to maintain, preserve, keep available for examination, and produce all books, accounts, files, or other documents required by this chapter or related rules or orders, by 31 C.F.R. ss. 1010.306, 1010.311, 1010.312, 1010.340,

1010.410, 1010.415, 1022.210, 1022.320, 1022.380, and 1022.410, or by an agreement entered into with the office.

(f) Refusing to allow the examination or inspection of books, accounts, files, or other documents by the office pursuant to this chapter, or to comply with a subpoena issued by the office.

(g) Failure to pay a judgment recovered in any court by a claimant in an action arising out of a money transmission transaction within 30 days after the judgment becomes final.

(h) Engaging in an act prohibited under s. 560.111 or s. 560.1115.

(i) Insolvency.

(j) Failure by a money services business to remove an affiliated party after the office has issued and served upon the money services business a final order setting forth a finding that the affiliated party has violated a provision of this chapter.

(k) Making a material misstatement, misrepresentation, or omission in an application for licensure, any amendment to such application, or application for the appointment of an authorized vendor.

(l) Committing any act that results in a license or its equivalent, to practice any profession or occupation being denied, suspended, revoked, or otherwise acted against by a licensing authority in any jurisdiction.

(m) Being the subject of final agency action or its equivalent, issued by an appropriate regulator, for engaging in unlicensed activity as a money services business or deferred presentment provider in any jurisdiction.

(n) Committing any act resulting in a license or its equivalent to practice any profession or occupation being denied, suspended, revoked, or otherwise acted against by a licensing authority in any jurisdiction for a violation of 18 U.S.C. s. 1956, 18 U.S.C. s. 1957, 18 U.S.C. s. 1960, 31 U.S.C. s. 5324, or any other law or rule of another state or of the United States relating to a money services business, deferred presentment provider, or usury that may cause the denial, suspension, or revocation of a money services business or deferred presentment provider license or its equivalent in such jurisdiction.

(o) Having been convicted of, or entered a plea of guilty or nolo contendere to, any felony or crime punishable by imprisonment of 1 year or more under the law of any state or the United States which involves fraud, moral turpitude, or dishonest dealing, regardless of adjudication.

(p) Having been convicted of, or entered a plea of guilty or nolo contendere to, a crime under 18 U.S.C. s. 1956 or 31 U.S.C. s. 5318, s. 5322, or s. 5324, regardless of adjudication.

(q) Having been convicted of, or entered a plea of guilty or nolo contendere to, misappropriation, conversion, or unlawful withholding of moneys belonging to others, regardless of adjudication.

(r) Having been convicted of, or entered a plea of guilty or nolo contendere to, a violation of 31 C.F.R. chapter X, part 1022, regardless of adjudication.

(s) ~~(r)~~ Failure to inform the office in writing within 30 days after having pled guilty or nolo contendere to, or being convicted of, any felony or crime punishable by imprisonment of

1 year or more under the law of any state or the United States, or any crime involving fraud, moral turpitude, or dishonest dealing.

(t) ~~(s)~~ Aiding, assisting, procuring, advising, or abetting any person in violating a provision of this chapter or any order or rule of the office or commission.

(u) ~~(t)~~ Failure to pay any fee, charge, or cost imposed or assessed under this chapter.

(v) ~~(u)~~ Failing to pay a fine assessed by the office within 30 days after the due date as stated in a final order.

(w) ~~(v)~~ Failure to pay any judgment entered by any court within 30 days after the judgment becomes final.

(x) ~~(w)~~ Engaging or advertising engagement in the business of a money services business or deferred presentment provider without a license, unless exempted from licensure.

(y) ~~(x)~~ Payment to the office for a license or other fee, charge, cost, or fine with a check or electronic transmission of funds that is dishonored by the applicant's or licensee's financial institution.

(z) ~~(y)~~ Violations of 31 C.F.R. ss. 1010.306, 1010.311, 1010.312, 1010.340, 1010.410, 1010.415, 1022.210, 1022.320, 1022.380, and 1022.410, and United States Treasury Interpretive Release 2004-1.

(aa) ~~(z)~~ Any practice or conduct that creates the likelihood of a material loss, insolvency, or dissipation of assets of a money services business or otherwise materially prejudices the interests of its customers.

(bb) ~~(aa)~~ Failure of a check casher to maintain a federally insured depository account as required by s. 560.309.

(cc)~~(bb)~~ Failure of a check casher to deposit into its own federally insured depository account any payment instrument cashed as required by s. 560.309.

(dd)~~(cc)~~ Violating any provision of the Military Lending Act, 10 U.S.C. s. 987, or the regulations adopted under that act in 32 C.F.R. part 232, in connection with a deferred presentment transaction conducted under part IV of this chapter.

(ee) Failure to comply with the notification requirements in s. 501.171(3) and (4).

(2) ~~Pursuant to s. 120.60(6),~~ The office shall issue an emergency order suspending ~~may summarily suspend~~ the license of a money services business if the office finds that a licensee poses an immediate, serious danger to the public health, safety, and welfare. ~~A proceeding in which the office seeks the issuance of a final order for the summary suspension of a licensee shall be conducted by the commissioner of the office, or his or her designee, who shall issue such order.~~ The following acts are deemed by the Legislature to constitute an immediate and serious danger to the public health, safety, and welfare, and the office shall ~~may~~ immediately suspend the license of a money services business without making any further findings of immediate danger, necessity, and procedural fairness if:

(a) The money services business fails to provide to the office, upon written request, any of the records required by s. 560.123, s. 560.1235, s. 560.211, or s. 560.310 or any rule adopted under those sections. The suspension may be rescinded if the licensee submits the requested records to the office.

(b) The money services business fails to maintain a federally insured depository account as required by s.

560.208(4) or s. 560.309.

(c) A natural person required to be listed on the license application for a money services business pursuant to s. 560.141(1)(a)3. is criminally charged with, or arrested for, a crime described in paragraph (1)(o), paragraph (1)(p), or paragraph(1)(q).

Section 7. Section 560.1311, Florida Statutes, is created to read:

560.1311 Information security programs; cybersecurity event investigations.—

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

(a) "Customer" means a person who seeks to obtain or who obtains or has obtained a financial product or service from a licensee.

(b) "Customer information" means any record containing nonpublic personal information about a customer of a financial transaction, whether on paper, electronic, or in other forms, which is handled or maintained by or on behalf of the licensee or its affiliates.

(c) "Cybersecurity event" means an event resulting in unauthorized access to, or disruption or misuse of, an information system, information stored on such information system, or customer information held in physical form.

(d) "Financial product or service" means any product or service offered by a licensee under this chapter.

(e) "Information security program" means the administrative, technical, or physical safeguards used to access, collect, distribute, process, protect, store, use, transmit, dispose of, or otherwise handle customer information.

(f) "Information system" means a discrete set of electronic information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of electronic information, as well as any specialized system such as an industrial process control system, telephone switching and private branch exchange system, or environmental control system, which contain customer information or which are connected to a system that contains customer information.

(g)1. "Nonpublic personal information" means:

a. Personally identifiable financial information; and

b. Any list, description, or other grouping of customers which is derived using any personally identifiable financial information that is not publicly available, such as account numbers, including any list of individuals' names and street addresses which is derived, in whole or in part, using personally identifiable financial information that is not publicly available.

2. The term does not include:

a. Publicly available information, except as included on a list, description, or other grouping of customers described in sub-subparagraph 1.b.;

b. Any list, description, or other grouping of consumers, or any publicly available information pertaining to such list, description, or other grouping of consumers, which is derived without using any personally identifiable financial information that is not publicly available; or

c. Any list of individuals' names and addresses which contains only publicly available information, is not derived, in whole or in part, using personally identifiable financial

information that is not publicly available, and is not disclosed in a manner that indicates that any of the individuals on the list is a customer of a licensee.

3. As used in this paragraph, the term:

a.(I) "Personally identifiable financial information" means any information that:

(A) A customer provides to a licensee to obtain a financial product or service, such as information that a customer provides to a licensee on an application to obtain a loan or other financial product or service;

(B) A licensee receives about a consumer which is obtained during or as a result of any transaction involving a financial product or service between the licensee and the customer, such as information collected through an information-collecting device from a web server; or

(C) A licensee otherwise obtains about a customer in connection with providing a financial product or service to the customer, such as the fact that an individual is or has been one of the licensee's customers or has obtained a financial product or service from the licensee.

(II) The term "personally identifiable financial information" does not include:

(A) A list of names and addresses of customers of an entity that is not a financial institution; or

(B) Information that does not identify a customer, such as blind data or aggregate information that does not contain personal identifiers such as account numbers, names, or addresses.

b.(I) "Publicly available information" means any

information that a licensee has a reasonable basis to believe is lawfully made available to the general public from:

(A) Federal, state, or local government records, such as government real estate records or security interest filings;

(B) Widely distributed media, such as information from a telephone records repository or directory, a television or radio program, a newspaper, a social media platform, or a website that is available to the general public on an unrestricted basis. A website is not restricted merely because an Internet service provider or a site operator requires a fee or a password, so long as access is available to the general public; or

(C) Disclosures to the general public which are required to be made by federal, state, or local law.

(II) As used in this sub-subparagraph, the term "reasonable basis to believe is lawfully made available to the general public" relating to any information means that the person has taken steps to determine:

(A) That the information is of the type that is available to the general public, such as information included on the public record in the jurisdiction where the mortgage would be recorded; and

(B) Whether an individual can direct that the information not be made available to the general public and, if so, the customer to whom the information relates has not done so, such as when a telephone number is listed in a telephone directory and the customer has informed the licensee that the telephone number is not unlisted.

(h) "Third-party service provider" means a person, other than a licensee, which contracts with a licensee to maintain,

process, or store nonpublic personal information, or is otherwise permitted access to nonpublic personal information through its provision of services to a licensee.

(2) INFORMATION SECURITY PROGRAM.—

(a) Each licensee shall develop, implement, and maintain a comprehensive written information security program that contains administrative, technical, and physical safeguards for the protection of the licensee's information system and nonpublic personal information.

(b) Each licensee shall ensure that the information security program meets all of the following criteria:

1. Be commensurate with the following measures:

a. Size and complexity of the licensee.

b. Nature and scope of the licensee's activities, including the licensee's use of third-party service providers.

c. Sensitivity of nonpublic personal information that is used by the licensee or that is in the licensee's possession, custody, or control.

2. Be designed to do all of the following:

a. Protect the security and confidentiality of nonpublic personal information and the security of the licensee's information system.

b. Protect against threats or hazards to the security or integrity of nonpublic personal information and the licensee's information system.

c. Protect against unauthorized access to or the use of nonpublic personal information and minimize the likelihood of harm to any customer.

3. Define and periodically reevaluate the retention

schedule and the mechanism for the destruction of nonpublic personal information if retention is no longer necessary for the licensee's business operations or is no longer required by applicable law.

4. Regularly test and monitor systems and procedures for the detection of actual and attempted attacks on, or intrusions into, the licensee's information system.

5. Be monitored, evaluated, and adjusted, as necessary, to meet all of the following requirements:

a. Determine whether the licensee's information security program is consistent with relevant changes in technology.

b. Confirm the licensee's information security program accounts for the sensitivity of nonpublic personal information.

c. Identify changes that may be necessary to the licensee's information system.

d. Eliminate any internal or external threats to nonpublic personal information.

e. Amend the licensee's information security program for any of the licensee's changing business arrangements, including, but not limited to, mergers and acquisitions, alliances and joint ventures, and outsourcing arrangements.

(c)1. As part of a licensee's information security program, the licensee shall establish a written incident response plan designed to promptly respond to, and recover from, a cybersecurity event that compromises:

a. The confidentiality, integrity, or availability of nonpublic personal information in the licensee's possession;

b. The licensee's information system; or

c. The continuing functionality of any aspect of the

licensee's operations.

2. The written incident response plan must address all of the following:

a. The licensee's internal process for responding to a cybersecurity event.

b. The goals of the licensee's incident response plan.

c. The assignment of clear roles, responsibilities, and levels of decisionmaking authority for the licensee's personnel that participate in the incident response plan.

d. External communications, internal communications, and information sharing related to a cybersecurity event.

e. The identification of remediation requirements for weaknesses identified in information systems and associated controls.

f. The documentation and reporting regarding cybersecurity events and related incident response activities.

g. The evaluation and revision of the incident response plan, as appropriate, following a cybersecurity event.

h. The process by which notice must be given as required under subsection (4) and s. 501.171(3) and (4).

(d)1. This section does not apply to a licensee that has fewer than:

a. Twenty individuals on its workforce, including employees and independent contractors; or

b. Five hundred customers during a calendar year.

2. A licensee that no longer qualifies for exemption under subparagraph 1. has 180 calendar days to comply with this section after the date of the disqualification.

(e) Each licensee shall maintain a copy of the information

security program for a minimum of 5 years and shall make it available to the office upon request or as part of an examination.

(3) CYBERSECURITY EVENT INVESTIGATION.—

(a) If a licensee discovers that a cybersecurity event has occurred or that a cybersecurity event may have occurred, the licensee, or an outside vendor or third-party service provider that the licensee has designated to act on its behalf, shall conduct a prompt investigation of the cybersecurity event.

(b) During the investigation, the licensee, or the outside vendor or third-party service provider that the licensee has designated to act on its behalf, shall, at a minimum, determine as much of the following as possible:

1. Confirm that a cybersecurity event has occurred.

2. Identify the date that the cybersecurity event first occurred.

3. Assess the nature and scope of the cybersecurity event.

4. Identify all nonpublic personal information that may have been compromised by the cybersecurity event.

5. Perform or oversee reasonable measures to restore the security of any compromised information system in order to prevent further unauthorized acquisition, release, or use of nonpublic personal information that is in the licensee's, outside vendor's, or third-party service provider's possession, custody, or control.

(c) If a licensee learns that a cybersecurity event has occurred, or may have occurred, in an information system maintained by a third-party service provider of the licensee, the licensee shall complete an investigation in compliance with

this section or confirm and document that the third-party service provider has completed an investigation in compliance with this section.

(d) A licensee shall maintain all records and documentation related to the licensee's investigation of a cybersecurity event for a minimum of 5 years after the date of the cybersecurity event and shall produce the records and documentation to the office upon request.

(4) NOTICE TO OFFICE OF SECURITY BREACH.—

(a) Each licensee shall provide notice to the office of any breach of security affecting 500 or more individuals in this state at a time and in the manner prescribed by commission rule.

(b) Each licensee shall, upon the office's request, provide a quarterly update of a cybersecurity event investigation under subsection (3) until conclusion of the investigation.

(5) CONSTRUCTION.—This section may not be construed to relieve a covered entity from complying with s. 501.171. To the extent a licensee is a covered entity, as defined in s. 501.171(1), the licensee remains subject to s. 501.171.

(6) RULES.—The commission may adopt rules to administer this section, including rules that allow a licensee that is in full compliance with the Federal Trade Commission's Standards for Safeguarding Customer Information, 16 C.F.R. part 314, to be deemed in compliance with subsection (2).

Section 8. Section 655.0171, Florida Statutes, is created to read:

655.0171 Requirements for customer data security and for notices of security breaches.—

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

(a) "Breach of security" or "breach" means unauthorized access of data in electronic form containing personal information. Good faith access of personal information by an employee or agent of a financial institution does not constitute a breach of security, provided that the information is not used for a purpose unrelated to the business or subject to further unauthorized use. As used in this paragraph, the term "data in electronic form" means any data stored electronically or digitally on any computer system or other database and includes recordable tapes and other mass storage devices.

(b) "Department" means the Department of Legal Affairs.

(c)1. "Personal information" means:

a. An individual's first name, or first initial, and last name, in combination with any of the following data elements for that individual:

(I) A social security number;

(II) A driver license or identification card number, passport number, military identification number, or other similar number issued on a government document used to verify identity;

(III) A financial account number or credit or debit card number, in combination with any required security code, access code, or password that is necessary to permit access to the individual's financial account;

(IV) The individual's biometric data as defined in s. 501.702; or

(V) Any information regarding the individual's geolocation; or

b. A username or e-mail address, in combination with a

password or security question and answer that would permit access to an online account.

2. The term does not include information about an individual which has been made publicly available by a federal, state, or local governmental entity. The term also does not include information that is encrypted, secured, or modified by any other method or technology that removes elements that personally identify an individual or that otherwise renders the information unusable.

(2) REQUIREMENTS FOR DATA SECURITY.—Each financial institution shall take reasonable measures to protect and secure data that are in electronic form and that contain personal information.

(3) NOTICE TO OFFICE AND DEPARTMENT OF SECURITY BREACH.—

(a)1. Each financial institution shall provide notice to the office of any breach of security affecting 500 or more individuals in this state. Such notice must be provided to the office as expeditiously as practicable, but no later than 30 days after the determination of the breach or the determination of a reason to believe that a breach has occurred.

2. The written notice to the office must include the items required under s. 501.171(3)(b).

3. A financial institution must provide the following information to the office upon its request:

a. A police report, incident report, or computer forensics report.

b. A copy of the policies in place regarding breaches.

c. Steps that have been taken to rectify the breach.

4. A financial institution may provide the office with

supplemental information regarding a breach at any time.

(b) Each financial institution shall provide notice to the department of any breach of security affecting 500 or more individuals in this state. Such notice must be provided to the department in accordance with s. 501.171.

(4) NOTICE TO INDIVIDUALS OF SECURITY BREACH.—Each financial institution shall give notice to each individual in this state whose personal information was, or the financial institution reasonably believes to have been, accessed as a result of the breach in accordance with s. 501.171(4). The notice must be provided no later than 30 days after the determination of the breach or the determination of a reason to believe that a breach has occurred. A financial institution may receive 15 additional days to provide notice to individuals of a security breach as required in this subsection if good cause for delay is provided in writing to the office within 30 days after determination of the breach or determination of the reason to believe that a breach has occurred.

(5) NOTICE TO CREDIT REPORTING AGENCIES.—If a financial institution discovers circumstances requiring notice pursuant to this section of more than 1,000 individuals at a single time, the financial institution shall also notify, without unreasonable delay, all consumer reporting agencies that compile and maintain files on consumers on a nationwide basis, as defined in the Fair Credit Reporting Act, 15 U.S.C. s. 1681a(p), of the timing, distribution, and content of the notices.

Section 9. Paragraph (d) of subsection (1) of section 655.045, Florida Statutes, is amended to read:

655.045 Examinations, reports, and internal audits;

penalty.—

(1) The office shall conduct an examination of the condition of each state financial institution at least every 18 months. The office may conduct more frequent examinations based upon the risk profile of the financial institution, prior examination results, or significant changes in the institution or its operations. The office may use continuous, phase, or other flexible scheduling examination methods for very large or complex state financial institutions and financial institutions owned or controlled by a multi-financial institution holding company. The office shall consider examination guidelines from federal regulatory agencies in order to facilitate, coordinate, and standardize examination processes.

(d) As used in this section, the term "costs" means the salary and travel expenses directly attributable to the field staff examining the state financial institution, subsidiary, or service corporation, and the travel expenses of any supervisory staff required as a result of examination findings. The mailing of any costs incurred under this subsection must be postmarked within 45 ~~30~~ days after the date of receipt of a notice stating that such costs are due. The office may levy a late payment of up to $100 per day or part thereof that a payment is overdue, unless excused for good cause. However, for intentional late payment of costs, the office may levy an administrative fine of up to $1,000 per day for each day the payment is overdue.

Section 10. Subsection (2) of section 657.005, Florida Statutes, is amended to read:

657.005 Application for authority to organize a credit union; investigation.—

(2) Any five or more individuals, a majority of whom are residents of this state and all of whom ~~who~~ represent a limited field of membership, may apply to the office for permission to organize a credit union. The fact that individuals within the proposed limited field of membership have credit union services available to them through another limited field of membership shall not preclude the granting of a certificate of authorization to engage in the business of a credit union.

Section 11. Subsection (1) of section 657.024, Florida Statutes, is amended to read:

657.024 Membership meetings.—

(1) The members shall receive timely notice of the annual meeting and any special meetings of the members, which shall be held at the time, place, and in the manner provided in the bylaws. The annual meeting and any special meetings of the members may be held virtually without an in-person quorum, and virtual attendance may satisfy quorum requirements, subject to the bylaws.

Section 12. Paragraph (b) of subsection (3) and present subsection (5) of section 657.042, Florida Statutes, are amended to read:

657.042 Investment powers and limitations.—A credit union may invest its funds subject to the following definitions, restrictions, and limitations:

(3) INVESTMENT SUBJECT TO LIMITATION OF TWO PERCENT OF CAPITAL OF THE CREDIT UNION.—

(b) Commercial paper and bonds of any corporation within the United States which have a fixed maturity, as provided in subsection (6) ~~(7)~~, except that the total investment in all such

paper and bonds may not exceed 10 percent of the capital of the credit union.

~~(5) INVESTMENTS IN REAL ESTATE AND EQUIPMENT FOR THE CREDIT UNION.—~~

~~(a) Up to 5 percent of the capital of the credit union may be invested in real estate and improvements thereon, furniture, fixtures, and equipment utilized or to be utilized by the credit union for the transaction of business.~~

~~(b) The limitations provided by this subsection may be exceeded with the prior written approval of the office. The office shall grant such approval if it is satisfied that:~~

~~1. The proposed investment is necessary.~~

~~2. The amount thereof is commensurate with the size and needs of the credit union.~~

~~3. The investment will be beneficial to the members.~~

~~4. A reasonable plan is developed to reduce the investment to statutory limits.~~

Section 13. Paragraphs (b) and (c) of subsection (4) of section 658.21, Florida Statutes, are amended to read:

658.21 Approval of application; findings required.—The office shall approve the application if it finds that:

(4)

(b) At least two of the proposed directors who are not also proposed officers must have had within the 10 years before the date of the application at least 1 year of direct experience as an executive officer, regulator, or director of a financial institution as specified in the application ~~within the 5 years before the date of the application~~. ~~However, if the applicant demonstrates that at least one of the proposed directors has~~

~~very substantial experience as an executive officer, director, or regulator of a financial institution more than 5 years before the date of the application, the office may modify the requirement and allow the applicant to have only one director who has direct financial institution experience within the last 5 years.~~

(c) The proposed president or chief executive officer must have had at least 1 year of direct experience as an executive officer, director, or regulator of a financial institution within the last 10 ~~5~~ years. In making a decision, the office must also consider ~~may waive this requirement after considering~~:

1. The adequacy of the overall experience and expertise of the proposed president or chief executive officer;

2. The likelihood of successful operation of the proposed state bank or trust company pursuant to subsection (1);

3. The adequacy of the proposed capitalization under subsection (2);

4. The proposed capital structure under subsection (3);

5. The experience of the other proposed officers and directors; and

6. Any other relevant data or information.

Section 14. Subsection (2) of section 658.33, Florida Statutes, is amended to read:

658.33 Directors, number, qualifications; officers.—

(2) Not less than a majority of the directors must, during their whole term of service, be citizens of the United States, and at least a majority of the directors must have resided in this state for at least 1 year preceding their election and must be residents therein during their continuance in office. In the

case of a bank or trust company with total assets of less than $150 million, at least one, and in the case of a bank or trust company with total assets of $150 million or more, two of the directors who are not also officers of the bank or trust company must have had at least 1 year of direct experience as an executive officer, regulator, or director of a financial institution within the last 10 ~~5~~ years.

Section 15. Subsection (4) of section 662.141, Florida Statutes, is amended to read:

662.141 Examination, investigations, and fees.—The office may conduct an examination or investigation of a licensed family trust company at any time it deems necessary to determine whether the licensed family trust company or licensed family trust company-affiliated party thereof has violated or is about to violate any provision of this chapter, any applicable provision of the financial institutions codes, or any rule adopted by the commission pursuant to this chapter or the codes. The office may conduct an examination or investigation of a family trust company or foreign licensed family trust company at any time it deems necessary to determine whether the family trust company or foreign licensed family trust company has engaged in any act prohibited under s. 662.131 or s. 662.134 and, if a family trust company or a foreign licensed family trust company has engaged in such act, to determine whether any applicable provision of the financial institutions codes has been violated.

(4) For each examination of the books and records of a family trust company, licensed family trust company, or foreign licensed family trust company as authorized under this chapter,

the trust company shall pay a fee for the costs of the examination by the office. As used in this section, the term "costs" means the salary and travel expenses of field staff which are directly attributable to the examination of the trust company and the travel expenses of any supervisory and support staff required as a result of examination findings. The mailing of payment for costs incurred must be postmarked within 45 ~~30~~ days after the receipt of a notice stating that the costs are due. The office may levy a late payment of up to $100 per day or part thereof that a payment is overdue unless waived for good cause. However, if the late payment of costs is intentional, the office may levy an administrative fine of up to $1,000 per day for each day the payment is overdue.

Section 16. Subsection (21) of section 517.12, Florida Statutes, is amended to read:

517.12 Registration of dealers, associated persons, intermediaries, and investment advisers.—

(21) The registration requirements of this section do not apply to any general lines insurance agent or life insurance agent licensed under chapter 626, with regard to the sale of a security as defined in s. 517.021(34)(g) ~~s. 517.021(33)(g)~~, if the individual is directly authorized by the issuer to offer or sell the security on behalf of the issuer and the issuer is a federally chartered savings bank subject to regulation by the Federal Deposit Insurance Corporation. Actions under this subsection constitute activity under the insurance agent's license for purposes of ss. 626.611 and 626.621.

Section 17. This act shall take effect July 1, 2026.

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 Appropriations Committee on Agriculture, Environment, and General Government

BILL:	CS/SB 772
INTRODUCER:	Banking and Insurance Committee and Senator Burgess
SUBJECT:	Limited Licenses for Portable Electronics or Eyewear Insurance
DATE:	February 11, 2026 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Moody	Knudson	BI	**Fav/CS**
2.	Sanders	Betta	AEG	**Pre-meeting**
3.			RC	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 772 expands the scope of limited insurance agent licenses issued to qualified applicants for the limited line of portable electronics to include eyewear insurance. The bill includes limited licenses as agents for eyewear to the list of those exempt from examination requirements and knowledge, experience, or instruction requirements. The bill also extends claims processing exemptions specifically for portable electronic device insurance claims to eyewear insurance claims.

The bill defines the term "eyewear" to include smart glasses and nonelectronic glasses, and the term "nonelectronic eyewear" is defined to include prescription and nonprescription glasses and sunglasses. The bill amends the definition of "portable electronics" to modernize the definition to include newer technologies. The bill removes the obsolete definition of the term "portable electronics transaction."

The bill does not impact state revenues or expenditures. The bill may reduce out of pocket costs to consumers. See Section V., Fiscal Impact Statement.

The bill is effective July 1, 2026.

II. Present Situation:

Limited Lines Insurance

The Department of Financial Services (DFS) must issue to a qualified applicant a license to transact certain limited class of business, for instance, travel insurance, motor vehicle rental insurance, and portable electronics insurance.[1] "Portable electronics" is defined as personal, self-contained, easily carried by an individual, battery-operated electronic communication, viewing, listening, recording, gaming, computing or global positioning devices, including cell or satellite phones, pagers, personal global positioning satellite units, portable computers, portable audio listening, video viewing or recording devices, digital cameras, video camcorders, portable gaming systems, docking stations, automatic answering devices, and other similar devices and their accessories, and service related to the use of such devices.[2]

Portable Electronics Insurance

A limited license for portable electronics insurance may include property insurance or inland marine insurance that covers only loss, theft, mechanical failure, malfunction, or damage for portable electronics.[3] The license may only be issued to employees or an authorized representative of a licensed general lines agent, or a lead business location of a retail vendor that sells portable electronic insurance which must have a contractual relationship with a general lines agent.[4] Such employees and authorized representatives may sell or offer for sale portable electronics coverage without being an insurance agent if certain criteria are met, including:

- The insurance is sold or offered for sale at a licensed location or a licensee's branch location[5] appointed by the licensed lead business location or its appointing insurers.
- The insurer issuing the insurance directly supervises or appoints a general lines agent to supervise the sale of the insurance.
- Brochures with specified information are made available to all prospective consumers.[6]

Brochures and other written materials related to portable electronic insurance must include certain information, for instance, that enrollment in the insurance is not required to purchase portable electronics, the material terms of the insurance, and a summary of the claims process.[7] Individuals not licensed to sell portable electronics insurance are subject to certain compensation restrictions.[8]

A licensed and general lines agent is not required to obtain a portable electronics insurance license to sell such products at locations already licensed as an insurance agency but may apply for a license for branch locations not licensed to sell insurance.[9] A portable electronics license

[1] Section 626.321(1), F.S.
[2] Section 626.321(1)(h)12.b., F.S.
[3] Section 626.321(1)(h), F.S.
[4] Section 626.321(1)(h)1., F.S.
[5] Section 626.321(1)(h)12.a., F.S., defines "branch location" as any physical location in this state at which a licensee offers its products or services for sale.
[6] Section 626.321(1)(h)2., F.S.
[7] Section 626.321(1)(h)4., F.S.
[8] Section 626.321(1)(h)3., F.S.
[9] Section 626.321(1)(h)5., F.S.

authorizes the sale of individual policies or certificates under a group or master insurance policy, or service warranty agreements covering only portable electronics to the same extent as if licensed under s. 634.419, F.S., or s. 634.420, F.S.[10] A licensee may collect the premium for the purchase of portable electronics insurance if certain conditions are met, including:

- The licensee clearly and conspicuously discloses when insurance is included with the purchase or lease of portable electronics or related services.
- Premiums are incidental to other fees collected, are readily identifiable, and are remitted to the insurer or supervising entity within 60 days of receipt.
- Funds received for the sale of the insurance are held in trust by the licensee in a fiduciary capacity for the benefit of the insurer.[11]

The terms for the termination or modification of a portable electronics insurance policy are those provided in the policy.[12] Unless expressly provided otherwise, a person applying for or holding a limited license is subject to the same applicable requirements and responsibilities that apply to general lines agents in general if licensed as to portable electronics insurance.[13]

Qualification Exemptions

An applicant for a limited license as agent for portable electronics insurance is exempt from taking and passing a written examination to qualify for such license.[14] Generally, an applicant for a license as a general lines agent must meet certain requirements as to knowledge, experience, or instruction, such as teaching or successfully completing 200 hours of course work in a specified topic within four years immediately preceding the application date.[15] However, such knowledge, experience, and instruction requirements do not apply to individuals holding only limited licenses, including a limited license for portable electronics insurance.[16] Portable electronic insurance limited agent licensees are also exempt from fingerprinting requirements.[17]

Claims Processing Exemptions

Generally, individuals need a license to handle insurance claims. However, individuals processing portable electronics insurance claims do not need an individual license if they only collect or enter claims information, work for a licensed insurance business, or are supervised by a licensed insurance adjuster[18]or agent. No more than 25 unlicensed individuals can be

[10] Section 626.321(1)(h)6., F.S.
[11] Section 626.321(1)(h)7., F.S.
[12] Section 626.321(1)(h)8., F.S.
[13] Section 626.321(4), F.S.
[14] Section 626.221(2), F.S.
[15] Section 626.732(1)(a), F.S.
[16] Section 626.732(7), F.S.
[17] *Id*.
[18] Section 626.015(2), F.S., defines "adjuster" as a public adjuster defined in s. 626.854, F.S., or an all-lines adjuster as defined in s. 626.8548, F.S. Section 626.854(1), F.S., defines "public adjuster" as any person, except a duly licensed attorney at law as exempted under s. 626.860, F.S., who, for money, commission, or any other thing of value, directly or indirectly prepares, completes, or files an insurance claim for an insured or third-party claimant, regardless of how that person describes or presents his or her services, or who, for money, commission, or any other thing of value, acts on behalf of, or aids an insured or third-party claimant in negotiating for or effecting the settlement of a claim or claims for loss or damage covered by an insurance contract, regardless of how that person describes or presents his or her services, or who advertises for employment as an adjuster of such claims. The term also includes any person who, for money, commission, or any other thing of value, directly or indirectly solicits, investigates, or adjusts such claims on behalf of a public adjuster, an insured, or

supervised by any one licensed adjuster or agent.[19] A Canadian resident cannot obtain a Florida nonresident adjuster license to handle portable electronics claims unless they have already obtained an adjuster's license in another U.S. state.[20]

Unlicensed individuals can use an automated claims adjudication system[21] for portable electronic claims, given that system is only used by licensed or supervised individuals, compliant with all Florida insurance code claim payment requirements, and certified as compliant by a licensed adjuster who is an officer of the business entity.[22]

Eyewear Insurance vs. Current Insurance Market Options

There is currently no statutory or regulatory framework establishing "eyewear insurance" as a licensed insurance product in Florida.[23] Products marketed as such are limited warranties or protection plans provided by the retailer or manufacturer to cover defects or accidental damage under contract terms.[24] As such, products do not have the regulatory status, obligations, or consumer protections of true insurance products.

Vision insurance is designed to cover routine eye care exams and corrective eyewear.[25] While coverage can vary by plan, most plans include coverage for routine eye exams, allowances for eyeglass frames, prescription lenses, and contact lenses every one or two years.[26] Vision insurance typically excludes coverage for non-prescription eyewear, such as sunglasses, cosmetic procedures, medical treatments for eye disease, and specialty lenses.[27]

Smart Glasses

"Smart glasses" are a pair of glasses that contain computer technology so that, for example, they can be used in a similar way to a smartphone, or you can get information added to what you are

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a third-party claimant. The term does not include a person who photographs or inventories damaged personal property or business personal property or a person performing duties under another professional license, if such person does not otherwise solicit, adjust, investigate, or negotiate for or attempt to effect the settlement of a claim. Section 626.8548, F.S., defines "all-lines adjuster" as a person who, for money, commission, or any other thing of value, directly or indirectly undertakes on behalf of a public adjuster or an insurer to ascertain and determine the amount of any claim, loss, or damage payable under an insurance contract or undertakes to effect settlement of such claim, loss or damage. The term also includes any person who, for money, commission, or any other thing of value, directly or indirectly solicits claims on behalf of a public adjuster, but does not include a paid spokesperson used as part of a written or an electronic advertisement or a person who photographs or inventories damaged personal property or business personal property if such person does not otherwise adjust, investigate, or negotiate for or attempt to effect the settlement of a claim.

[19] Section 626.8685(1), F.S.

[20] Section 626.8685(2), F.S.

[21] Section 626.8685(1), F.S., defines "automated claims adjudication system" as a preprogrammed computer system designed for the collection, data entry, calculation, and final resolution of portable electronics insurance claims to fully, electronically resolve claims.

[22] Section 626.8685(1), F.S.

[23] *See* ch. 626, F.S.

[24] *See* ch. 501, F.S.

[25] Associates in Eye Care, *Medical versus Vision Insurance Explained*, https://associateseyecare.com/wp-content/uploads/Medical-vs-Vision-exam.pdf (last visited February 3, 2026).

[26] *Id.*

[27] VSP Individual Vision Plans, *What Is Covered by Vision Insurance* (Sept. 23, 2024) https://www.vspdirect.com/blog/article/what-is-covered-by-vision-insurance, (last visited February 3, 2026).

seeing as you look through them.[28] Smart glasses have evolved to include several key features and other optional functions, such as display and augmented reality functions, hand-free communication and connectivity, camera and content creation, voice assistant and artificial intelligence (AI) integration, music and audio streaming, health and fitness tracking, productivity and work functions.[29] Some smart glasses are prescription eligible and can be customized with prescription lenses.[30]

III. Effect of Proposed Changes:

CS/SB 772 expands the Department of Financial Services (DFS) authority to issue limited licenses to sell portable electronics insurance to include eyewear insurance. The bill updates provisions relating to an applicant's exemptions for a written examination and knowledge, experience, or instruction requirements for limited agent licenses for eyewear insurance. The claims processing exemption for portable electronics insurance is expanded to apply to eyewear insurance claims.

Section 1 amends s. 626.321, F.S., to require the DFS to issue limited licenses for portable electronics insurance to include eyewear insurance if certain conditions are met. The bill specifies that a license for portable electronics and eyewear insurance does not require a licensee to sell or offer for sale coverage for both products but only one limited license is required to sell insurance coverage for either product. The bill updates the following current regulatory provisions related to portable electronics insurance limited licenses to include eyewear insurance, including:

- The type of insurance coverage that may be issued.[31]
- The persons who may be issued a license for such coverage.[32]
- Conditions that must be met to be eligible to sell or offer for sale portable electronics or eyewear insurance without being subject to licensure as an insurance agent.[33]
- Compensation restrictions.
- Restrictions on content in brochures or other written materials.[34]
- Applicability of the limited licensing to general lines agents.[35]
- Types of policies a portable electronics and eyewear license may issue, including group or master insurance policies, or service warranty agreements.[36]
- Conditions regarding a licensee's billing and collecting premiums.[37]
- Terms for termination or modification of coverage in the policy.[38]

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[28] Cambridge Dictionary, *Smart Glasses*, https://dictionary.cambridge.org/us/dictionary/english/smart-glasses (last visited February 3, 2026).
[29] Chaoyuan2004@gmail.com, Banna Tech, *What Do Smart Glasses Do? Complete Functions List 2025* (Nov. 15, 2025), https://banna-tech.com/what-smart-glasses-do-complete-list/ (last visited February 3, 2026).
[30] *Id.*; GlassesUSA.com, *Smart Glasses*, Shop Smart Glasses Online | Free Shipping on All Orders (last visited February 3, 2026).
[31] Section 626.321(1)(h), F.S.
[32] Section 626.321(1)(h)1., F.S.
[33] Section 626.321(1)(h)2., F.S.
[34] Section 626.321(1)(h)4., F.S.
[35] Section 626.321(1)(h)5., F.S.
[36] Section 626.321(1)(h)6., F.S.
[37] Section 626.321(1)(h)7., F.S.
[38] Section 626.321(1)(h)8., F.S.

- Branch locations authority to obtain a single appointment from the associated lead business location licensee instead of obtaining an appointment from an insurer or warranty association.

The bill subjects a person applying for or holding a limited license for portable electronics and eyewear insurance to the same applicable requirements and responsibilities that apply to a general lines agents unless expressly provided otherwise.

The term "eyewear" is defined to mean smart glasses and nonelectronic eyewear. The bill provides the term "nonelectronic eyewear" includes prescription and nonprescription eyeglasses and sunglasses. The bill removes the definition of the term "portable electronics transaction"[39] because the term is no longer referred to in the statute section. The definition of "portable electronics" is amended to mean equipment that is personal, self-contained, easily carried, by an individual; has electrical, digital, magnetic, wireless, electromagnetic, or similar capabilities; and operates using batteries, rechargeable power sources, or other energy sources. The term includes equipment used for communication; data processing; viewing; listening; recording; gaming; computing; navigation; household, health or activity monitoring; or similar uses and may also incorporate features responsive to user input or environmental conditions.

Section 2 amends s. 626.221, F.S., to exempt an applicant for a limited license as agent for portable electronics or eyewear insurance, rather than only portable electronics insurance, from a written examination.

Similarly, **section 3**, amends s. 626.732, F.S., to extend the knowledge, experience, or instruction exemption for an individual holding only a limited license for portable electronics insurance to apply to an individual holding only a limited license for "portable electronics or eyewear insurance."

Section 4 amends s. 626.8685, F.S., to expand the claims processing exemptions for portable electronic device insurance claims to also include eyewear insurance claims. The exemption applies to an individual who collects and enters data into an automated claims adjudication system that is designed for collection, data entry, calculation, and final resolution of portable electronics or eyewear insurance that meet the specified requirements under current law.[40]

Section 5 provides the bill is effective July 1, 2026.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

[39] Section 626.321(1)(h)12.c., F.S., defines "portable electronics transaction" as the sale or lease of portable electronics or a related service, including portable electronics insurance.
[40] Section 626.8685(1), F.S.

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:

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

The DFS reports that "[e]xpanding the limited licensing statute pertaining to portable electronics devices to include smart glasses and nonelectronic eyewear will provide consumers with opportunities to purchase valuable insurance coverage and reduce out of pocket costs to consumers to repair or replace these items in the event of a loss."[41]

C. Government Sector Impact:

The bill does not impact state revenues or expenditures.[42]

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

[41] Department of Financial Services, *2026 Legislative Bill Analysis for SB 772*, p. 4 (on file with the Senate Committee on Banking and Insurance).
[42] *Id.*

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 626.321, 626.221, 626.732, and 626.8685.

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 Committee on January 28, 2026:
The committee substitute:

- Clarifies that a licensee is not required to sell or offer for sale both portable electronics and eyewear products or insurance coverage for both products.
- Specifies that only one license is required to sell or offer for sale either portable electronics insurance or eyewear insurance, or both.
- Amends the definition of "portable electronics."

B. Amendments:

None.

By the Committee on Banking and Insurance; and Senator Burgess

597-02290-26 2026772c1

A bill to be entitled

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

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

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

626.321 Limited licenses and registration.—

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

(h) *Portable electronics* or eyewear *insurance*.—License for property insurance or inland marine insurance that covers only loss, theft, mechanical failure, malfunction, or damage for portable electronics or eyewear. Such license does not require a licensee to sell or offer for sale coverage for both portable electronics and eyewear. This paragraph may not be construed as

597-02290-26 2026772c1

requiring two separate licenses to sell or offer for sale portable electronics or eyewear insurance.

1. The license may be issued only to:

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

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

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

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

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

c. At each location where the insurance is offered, brochures or other written materials that provide the information required by this subparagraph are made available to all prospective customers. The brochures or written materials may include information regarding portable electronics or eyewear insurance, service warranty agreements, or other

incidental services or benefits offered by a licensee.

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

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

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

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

c. Summarize the material terms of the insurance coverage, including the identity of the insurer, the identity of the supervising entity, the amount of any applicable deductible and how it is to be paid, the benefits of coverage, and key terms and conditions of coverage, such as whether portable electronics or eyewear may be repaired or replaced with similar make and model reconditioned or nonoriginal manufacturer parts or equipment;

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

equipment return requirements; and

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

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

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

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

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

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

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

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

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

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

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

12. For purposes of this paragraph:

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

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

c.~~b.~~ "Portable electronics" means equipment that is personal, self-contained, easily carried, by an individual; has electrical, digital, magnetic, wireless, electromagnetic, or similar capabilities; and operates using batteries, rechargeable power sources, or other energy sources. The term includes equipment used for communication; data processing; viewing; listening; recording; gaming; computing; navigation; household, health or activity monitoring; or similar uses and may also

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

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

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

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

626.221 Examination requirement; exemptions.—

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

following:

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

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

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

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

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

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

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

collection, data entry, calculation, and final resolution of portable electronics or eyewear insurance claims that:

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

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

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

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

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

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 Appropriations Committee on Agriculture, Environment, and General Government

BILL:	CS/SB 1294
INTRODUCER:	Environment and Natural Resources Committee and Senator Bradley
SUBJECT:	Biosolids Management
DATE:	February 11, 2026 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Barriero	Rogers	EN	**Fav/CS**
2.	Reagan	Betta	AEG	**Pre-meeting**
3.			RC	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1294 provides that the land application of bulk Class AA biosolids may not exceed the agronomic rate. The bill requires land application site operators to maintain application records. The bill directs the University of Florida's Institute of Food and Agricultural Sciences to publish recommended agronomic rates for bulk Class AA biosolids.

The bill provides that, effective July 1, 2028, bulk Class AA biosolids products may be distributed or marketed as fertilizer or soil amendments and land applied only if transferred pursuant to a bona fide sale and in compliance with applicable labeling and registration requirements. If the Class AA biosolids compost products are enrolled and certified under the United States Composting Council's Seal of Testing Assurance program, they are not required to be distributed or marketed as soil amendment if their labeling does not claim any plant nutrients or beneficial plant growth properties. Additionally, bulk Class AA biosolids compost and fertilizer products that are not distributed, marketed, or sold through a bona fide sale may only be land applied at sites approved by the Department of Environmental Protection (DEP) unless they are enrolled and certified under the United States Composting Council's Seal of Testing Assurance program.

The bill also creates exceptions for sales or exchanges between importers, manufacturers, or licensees.

The bill also provides that the bona fide sale requirement does not apply when a biosolids treatment facility owns or controls the land where the bulk Class AA biosolids are land applied; however, such products must still comply with all applicable registration and labeling requirements before land application.

The bill has no fiscal impact on state revenues or expenditures; however, the University of Florida's Institute of Food and Agricultural Sciences may incur indeterminate costs to publish recommended agronomic rates for Class AA biosolids. This cost can be absorbed through existing resources. See Section V., Fiscal Impact Statement.

The bill has an effective date of July 1, 2026.

II. Present Situation:

Biosolids

The proper treatment and disposal or reuse of domestic wastewater is an important part of protecting Florida's water resources. The majority of Florida's domestic wastewater is controlled and treated by centralized treatment facilities regulated by the DEP. Florida has approximately 2,000 permitted domestic wastewater treatment facilities.[1]

When domestic wastewater is treated, solid, semisolid, or liquid residue known as biosolids[2] accumulates in the wastewater treatment plant and must be removed periodically to keep the plant operating properly.[3] Biosolids also include products and treated material from biosolids treatment facilities and septage management facilities regulated by the DEP.[4] The collected residue is high in organic content and contains moderate amounts of nutrients, which can make biosolids suitable for use as a soil amendment or fertilizer under appropriate conditions.[5]

Wastewater treatment facilities produce about 461,000 dry tons of biosolids each year.[6] Biosolids can be disposed of in several ways including placement in a landfill, distribution and marketing as fertilizer, and land application on pasture or agricultural lands.[7] Biosolids are subject to regulatory requirements established by the DEP to protect public health and the environment.[8]

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[1] Department of Environmental Protection (DEP), *General facts and statistics about wastewater in Florida,* https://floridadep.gov/water/domestic-wastewater/content/general-facts-and-statistics-about-wastewater-florida (last visited Jan. 19, 2025).

[2] Section 373.4595, F.S., defines biosolids as the solid, semisolid, or liquid residue generated during the treatment of domestic wastewater in a domestic wastewater treatment facility and include products and treated material from biosolids treatment facilities and septage management facilities. The term does not include the treated effluent or reclaimed water from a domestic wastewater treatment facility, solids removed from pump stations and lift stations, screenings and grit removed from the preliminary treatment components of domestic wastewater treatment facilities, or ash generated during the incineration of biosolids. *See also* Fla. Admin. Code R. 62-640.200(6).

[3] DEP, *Domestic wastewater biosolids*, https://floridadep.gov/water/domestic-wastewater/content/domestic-wastewater-biosolids (last visited Jan. 19, 2025).

[4] Fla. Admin. Code R. 62-640.200(6).

[5] DEP, *Domestic wastewater biosolids*.

[6] DEP, *Presentation to the Florida Senate Committee on Environment and Natural Resource*, 6 (Dec. 9, 2025), *available at* https://www.flsenate.gov/Committees/DownloadMeetingDocument/7981.

[7] *See id*.

[8] Fla. Admin. Code R. 62-640.

The DEP regulates three classes of biosolids for beneficial use: Class AA, Class A, and Class B biosolids.[9] The classes are categorized based on treatment and quality, with Class AA biosolids receiving the highest level of treatment, and Class B receiving the lowest.[10] Consistent with federal standards, treatment of biosolids must reduce pathogens, the attractiveness of the biosolids for pests like insects and rodents, and the amount of toxic metals in the biosolids.[11] Class AA biosolids can be distributed and marketed like other commercial fertilizers.[12] Such biosolids may be sold or given away.[13] Class AA biosolids compost products that are distributed and marketed outside of the Lake Okeechobee, St. Lucie River, and Caloosahatchee River watersheds do not have be to distributed and marketed as a fertilizer if the biosolids compost product is enrolled and certified under the U.S. Composting Council's (USCC) Seal of Testing Assurance program.[14]

Biosolids are regulated under Rule 62-640 of the Florida Administrative Code. The rules provide minimum requirements, including monitoring and reporting requirements, for the treatment, management, use, and disposal of biosolids. The rules are applicable to wastewater treatment facilities, appliers, and distributors[15] and include permit requirements for both treatment facilities and biosolids application sites.[16]

Land Application of Biosolids

Land application of biosolids involves spreading biosolids on the soil surface or incorporating or injecting biosolids into the soil at the DEP-permitted site.[17] This practice provides nutrients and organic matter to the soil on agricultural land, golf courses, forests, parks, mine reclamation sites, and other disturbed lands. Composted and treated biosolids are used by landscapers and nurseries and by homeowners for their lawns and home gardens.[18] Biosolids must be treated to at least Class B standards to be land applied.[19] Permits are required for the land application of biosolids unless they have been marketed and distributed as fertilizer.[20]

Each permit application for a biosolids application site must include a site-specific nutrient management plan (NMP) that establishes the specific rates of application and procedures to apply biosolids to land.[21] Biosolids may only be applied to land application sites that are permitted by the DEP and have a valid NMP.[22] Biosolids must be applied at rates established in

[9] Fla. Admin. Code R. 62-640.200.
[10] *Id.*; DEP, *Domestic wastewater biosolids*.
[11] Fla. Admin. Code R. 62-640.200; 40 C.F.R. part 503.
[12] DEP, *Domestic wastewater biosolids*; National Biosolids Data Project, *Florida biosolids*, https://www.biosolidsdata.org/florida (last visited Jan. 19, 2025); Fla. Admin. Code R. 62-640.850.
[13] Fla. Admin. Code R. 62-640.850(2).
[14] *Id.*
[15] Fla. Admin. Code R. 62-640.100.
[16] Fla. Admin. Code R. 62-640.300.
[17] Environmental Protection Agency (EPA), *Land application of biosolids*, https://www.epa.gov/biosolids/land-application-biosolids (last visited Jan. 19, 2025).
[18] *Id.*
[19] Fla. Admin. Code R. 62-640.700(2).
[20] Fla. Admin. Code R. 62-640.700(1) and 62-640.850.
[21] Fla. Admin. Code R. 62-640.500.
[22] *Id*.

accordance with the NMP and may be applied to a land application site only if all concentrations of minerals do not exceed ceiling and cumulative concentrations determined by rule.[23] According to the St. Johns River Water Management District, application rates of biosolids are determined by crop nitrogen demand, which can often result in the overapplication of phosphorus to the soil and can increase the risk of nutrient runoff into nearby surface waters.[24]
Once a facility or site is permitted, it is subject to monitoring, record-keeping, reporting, and notification requirements.[25] The requirements are site-specific and can be increased or reduced by the DEP based on the quality or quantity of wastewater or biosolids treated; historical variations in biosolids characteristics; industrial wastewater or sludge contributions to the facility; the use, land application, or disposal of the biosolids; the water quality of surface and ground water and the hydrogeology of the area; wastewater or biosolids treatment processes; and the compliance history of the facility or application site.[26]

The land application of Class A and Class B biosolids is also prohibited within priority focus areas in effect for Outstanding Florida Springs if the land application is not in accordance with a NMP that has been approved by the DEP.[27] The NMP must establish the rate at which all biosolids, soil amendments, and nutrient sources at the land application site can be applied to the land for crop production while minimizing the amount of pollutants and nutrients discharged into groundwater and waters of the states.[28] In addition, the DEP may not authorize the land application of domestic wastewater biosolids within the Lake Okeechobee, Caloosahatchee River, or St. Lucie River watersheds unless the applicant demonstrates that the biosolids will not contribute to nutrient loadings in the applicable watershed, with a limited exception for Class AA biosolids that are marketed and distributed as fertilizer.[29]

Permittees applying Class A or Class B biosolids must ensure a minimum unsaturated soil depth of two feet between the depth of biosolids placement and the water table level at the time of application.[30] Permittees must also be enrolled in the Department of Agriculture and Consumer Services best management practices program or be within an agricultural operation enrolled in the program for the applicable commodity type.[31]

Historically, about two-thirds of all biosolids produced have been land applied.[32] However, between 2018 and 2024, the number of biosolids land application sites decreased from 120 to 58.[33] These reductions are expected to continue in the future.[34] Other disposal methods, including

[23] Fla. Admin. Code R. 62-640.700.
[24] V. R. Hoge et al., *Developing a biosolids database for watershed modeling efforts*, Environmental Scientist IV, St. Johns River Water Management District, *abstract available at* http://archives.waterinstitute.ufl.edu/symposium2018/abstract_detail.asp?AssignmentID=1719 (last visited Jan. 19, 2025).
[25] Fla. Admin. Code R. 62-640.650.
[26] *Id*.
[27] Section 373.811(4), F.S.
[28] *Id*.
[29] Section 373.4595(3)(b)16., (4)(b)5., and (4)(d)5., F.S.
[30] Section 403.0855(3)(a), F.S.
[31] Section 403.0855(3)(b), F.S.
[32] DEP, *Biosolids in Florida*, 5 (2019), *available at* https://www.florida-stormwater.org/assets/MemberServices/Conference/AC19/02%20-%20Frick%20Tom.pdf.
[33] DEP, *Presentation to the Florida Senate Committee on Environment and Natural Resource*, 5 (Dec. 9, 2025), *available at* https://www.flsenate.gov/Committees/DownloadMeetingDocument/7981.
[34] *Id.*

distribution and marketing of Class AA biosolids products and landfilling, are increasing.[35] Florida Class AA and Class B biosolids are also marketed and distributed out of state.[36]

United States Composting Council's Seal of Testing Assurance Program

Formed in 1990, the United States Composting Council (USCC) is a national nonprofit organization focused on the development and support of the composting and organics recycling industry in the United States.[37] The USCC provides training, education, and certification for compost facility operators, administers compost testing certification programs, and engages in state and federal lobbying and advocacy.[38]

The USCC's Seal of Testing Assurance Program is a national compost testing, labeling, and information disclosure program that uses standardized analytical methods and laboratory oversight to certify and provide data on compost products.[39] To obtain Seal of Testing Assurance certification, a compost manufacturer and its products must satisfy the following requirements:

- Meet the USCC's definition of compost.[40]
- Comply with all applicable federal, state, and local regulations and permitting requirements. Immediately inform the USCC if an issue arises.
- Conduct product testing through approved laboratories.
- Test products at frequencies determined by the annual wet tonnage of finished compost produced and provide test results to the USCC.
- Provide customers with Seal of Testing Assurance Compost Technical Data Sheets, including information on feedstocks and instructions for use.
- Meet the Environmental Protection Agency's testing limits for heavy metals and pathogens.
- Execute a Seal of Testing Assurance Certified Compost rules contract.
- Pay annual program fees.
- Renew program participation contracts and pay associated fees annually for each certified product.[41]

III. Effect of Proposed Changes:

Section 1 amends s. 403.0855, F.S., regarding biosolids management. The bill provides that the land application of bulk Class AA biosolids fertilizer and compost products may not exceed the agronomic rate. Application records must be maintained by the land application site operator.

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[35] *Id.* at 6.
[36] Email from DEP On File with Senate Committee on Environment and Natural Resources.
[37] *See generally* USCC, *About Us,* https://www.compostingcouncil.org/page/AboutUs (last visited Jan. 21, 2026).
[38] *Id.*
[39] *See* USCC, *STA Certified Compost*, https://www.compostingcouncil.org/page/CompostManufacturersSTA (last visited Jan. 19, 2026); USCC, *STA Requirements*, https://www.compostingcouncil.org/page/STA-Requirements (last visited Jan. 19, 2026).
[40] USCC defines compost as "a product manufactured through the controlled aerobic, biological decomposition of biodegradable materials. The product has undergone mesophilic and thermophilic temperatures, which significantly reduces the viability of pathogens and weed seeds, and stabilizes the carbon, such that it is beneficial to plant growth. Compost is typically used as a soil amendment but may also contribute plant nutrients." USCC, *Definition of Compost*, https://www.compostingcouncil.org/page/CompostDefinition (last visited Jan. 19, 2026).
[41] USCC, *STA Requirements*, https://www.compostingcouncil.org/page/STA-Requirements (last visited Jan. 19, 2026).

The bill directs the University of Florida's Institute of Food and Agricultural Sciences[42] to, on a biennial basis, publish and make publicly available the recommended agronomic rates for the beneficial reuse of bulk Class AA biosolids fertilizer and compost products based on predominant application practices.

Section 2 amends s. 403.0855, F.S., regarding biosolids management, effective July 1, 2028. The bill provides that bulk Class AA biosolids or biosolids products may be distributed or marketed as fertilizer and may be land applied if such biosolids and products are transferred pursuant to a bona fide sale as fertilizer and meet all applicable labeling and registration requirements. The bill defines "bona fide sale" as a sale in which monetary consideration is paid for the biosolids fertilizer or biosolids compost product, and the amount paid bears a reasonable relationship to the fair market value of comparable marketable fertilizer or soil-amendment products. A nominal charge, an exchange arrangement, a transfer made to offset disposal costs, or a transfer in which the biosolids treatment facility compensates the recipient does not constitute a bona fide sale. A transaction does not constitute a bona fide sale if its price, structure, or associated payments are arranged for the purpose of avoiding compliance with the bona fide sale requirements.

The bill authorizes bulk Class AA biosolids compost products to be distributed or marketed as soil amendments and land applied if such products are transferred pursuant to a bona fide sale and meet all applicable labeling and registration requirements. The bill provides that class AA biosolids compost products, if their labeling does not claim any plant nutrients or beneficial plant growth properties, are not required to be distributed or marketed as a soil amendment or a fertilizer if the Class AA biosolids compost product is enrolled and certified under the USCC's Seal of Testing Assurance program.

The bill provides that bulk Class AA biosolids compost and fertilizer products that are not distributed, marketed, or sold through a bona fide sale as a fertilizer or soil amendment may only be land applied at land application sites expressly approved by the DEP. This does not apply to Class AA biosolids compost products enrolled and certified under the USCC's Seal of Testing Assurance program.

The bill specifies that the requirement for a bona fide sale does not apply to biosolids treatment facilities that own or control the land where the bulk Class AA fertilizer or compost biosolids products are being land applied; however, bulk Class AA products that are land applied on land owned or controlled by a biosolids treatment facility must still meet all applicable registration and labeling requirements prior to land application.

The bill provides that the bona fide sale requirements do not apply to sales or exchanges between importers, manufacturers, or licensees.

Section 3 provides an effective date of July 1, 2026.

[42] The University of Florida's Institute of Food and Agricultural Sciences (UF/IFAS) is a federal-state-county partnership dedicated to developing knowledge in agriculture, human and natural resources, and the life sciences. UF/IFAS, *About UF/IFAS*, https://ifas.ufl.edu/about-us/ (last visited Jan. 21, 2026).

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:

Private entities may incur indeterminate costs to acquire bulk Class AA biosolids products through bona fide sales.

C. Government Sector Impact:

The bill has no fiscal impact on state revenues or expenditures; however, the University of Florida's Institute of Food and Agricultural Sciences may incur indeterminate costs to publish recommended agronomic rates for Class AA biosolids. Public utilities may incur indeterminate costs to treat and dispose of biosolids given the additional requirements in the bill.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 403.0855 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 Environment and Natural Resources on Jan. 27, 2026:

- Provided that the bona fide sale requirements and related exemptions are effective July 1, 2028.
- Provided that the exemption from the requirement that Class AA biosolids compost products be distributed or marketed as a soil amendment or fertilizer applies only if the labeling does not claim any plant nutrients or beneficial plant growth properties.
- Removed the reference to the federal definition of "agronomic rate."
- Removed the provision that limited the agronomic rate requirement to applications constituting disposal.
- Removed the reference to the slow-release nature of the nutrients in biosolids-derived products.

B. Amendments:

None.

By the Committee on Environment and Natural Resources; and Senator Bradley

592-02262-26 20261294c1

A bill to be entitled

An act relating to biosolids management; amending s. 403.0855, F.S.; prohibiting the land application of bulk Class AA biosolids fertilizer and compost products from exceeding the appropriate agronomic rate; requiring the land application site operator to maintain application records; requiring the University of Florida's Institute of Food and Agricultural Sciences to publish and make publicly available recommended agronomic rates for the reuse of bulk Class AA biosolids fertilizer and compost products, based on certain criteria; authorizing bulk Class AA biosolids or biosolids products to be distributed or marketed as fertilizer and land applied if specified requirements are met; defining the term "bona fide sale"; authorizing bulk Class AA biosolids compost products to be distributed or marketed as soil amendments and land applied if specified requirements are met; providing that class AA biosolids compose products are not required to be distributed or marketed as a fertilizer or soil amendment under certain circumstances; requiring that certain bulk Class AA biosolids compost and fertilizer products be land applied only at land application sites approved by the Department of Environmental Protection; providing applicability; requiring that certain bulk Class AA products that are land applied on certain lands meet certain requirements before land application; providing applicability; providing

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effective dates.

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

Section 1. Subsections (7) and (8) are added to section 403.0855, Florida Statutes, to read:

403.0855 Biosolids management.—

(7) The land application of bulk Class AA biosolids fertilizer and compost products may not exceed the appropriate agronomic rate. Application records must be maintained by the land application site operator.

(8) The University of Florida's Institute of Food and Agricultural Sciences shall, on a biennial basis, publish and make publicly available the recommended agronomic rates for the beneficial reuse of bulk Class AA biosolids fertilizer and compost products based on predominant application practices.

Section 2. Effective July 1, 2028, subsections (9) through (13) are added to section 403.0855, Florida Statutes, as amended by this act, to read:

403.0855 Biosolids management.—

(9)(a) Bulk Class AA biosolids or biosolids products may be distributed or marketed as fertilizer in accordance with chapter 576 and may be land applied if such biosolids and products are transferred pursuant to a bona fide sale as fertilizer and meet all applicable labeling and registration requirements.

(b) As used in this section, the term "bona fide sale" means a sale in which monetary consideration is paid for the biosolids fertilizer or biosolids compost product, and the amount paid bears a reasonable relationship to the fair market

value of comparable marketable fertilizer or soil-amendment products. A nominal charge, an exchange arrangement, a transfer made to offset disposal costs, or a transfer in which the biosolids treatment facility compensates the recipient does not constitute a bona fide sale. A transaction does not constitute a bona fide sale if its price, structure, or associated payments are arranged for the purpose of avoiding compliance with paragraph (a) or subsection (10).

(10)(a) Bulk Class AA biosolids compost products may be distributed or marketed as soil amendments in accordance with chapter 576 and may be land applied if such products are transferred pursuant to a bona fide sale and meet all applicable labeling and registration requirements.

(b) Class AA biosolids compost products, if their labeling does not claim any plant nutrients or beneficial plant growth properties, are not required to be distributed or marketed as a fertilizer or a soil amendment, as those terms are defined in s. 576.011, if the Class AA biosolids compost products are enrolled and certified under the U.S. Composting Council's Seal of Testing Assurance program.

(11) Bulk Class AA biosolids compost and fertilizer products that are not distributed, marketed, or sold through a bona fide sale as a fertilizer or soil amendment may be land applied only at land application sites expressly approved by the Department of Environmental Protection. This subsection does not apply to Class AA biosolids compost products enrolled and certified under the U.S. Composting Council's Seal of Testing Assurance program.

(12) The requirement for a bona fide sale does not apply to

biosolids treatment facilities that own or control the land where the bulk Class AA biosolids compost and fertilizer products are being land applied; however, bulk Class AA biosolids products that are land applied on land owned or controlled by a biosolids treatment facility must still meet all applicable registration and labeling requirements before land application.

(13) Subsections (9), (10), and (11) do not apply to sales or exchanges between importers, manufacturers, or licensees under s. 576.141.

Section 3. Except as otherwise expressly provided in this act, this act shall take effect July 1, 2026.

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 Appropriations Committee on Agriculture, Environment, and General Government

BILL:	CS/SB 1474
INTRODUCER:	Environment and Natural Resources Committee and Senator Gaetz
SUBJECT:	Biosolids Management
DATE:	February 11, 2026 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Barriero	Rogers	EN	**Fav/CS**
2.	Reagan	Betta	AEG	**Pre-meeting**
3.			RC	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1474 prohibits the Department of Environmental Protection from issuing or renewing a permit for a land application site which authorizes the disposal or land application of septage as Class B biosolids if there is a permitted wastewater treatment facility that accepts septage for higher levels of treatment which is:

- Less than 50 miles from a proposed Class B biosolids land application site;
- Owned or operated by the federal government or a federal agency, a state government body or agency, or a political subdivision of this state; and
- Not defunct, used for other purposes, or out of capacity.

The bill has no fiscal impact on state expenditures or revenue. See Section V., Fiscal Impact Statement.

The bill has an effective date of July 1, 2026.

II. Present Situation:

Biosolids

The proper treatment and disposal or reuse of domestic wastewater is an important part of protecting Florida's water resources. The majority of Florida's domestic wastewater is controlled and treated by centralized treatment facilities regulated by the Department of Environmental

Protection (DEP). Florida has approximately 2,000 permitted domestic wastewater treatment facilities.[1]

When domestic wastewater is treated, solid, semisolid, or liquid residue known as biosolids[2] accumulates in the wastewater treatment plant and must be removed periodically to keep the plant operating properly.[3] Biosolids also include products and treated material from biosolids treatment facilities and septage management facilities regulated by the DEP.[4] The collected residue is high in organic content and contains moderate amounts of nutrients, which can make biosolids suitable for use as a soil amendment or fertilizer under appropriate conditions.[5]

Wastewater treatment facilities produce about 461,000 dry tons of biosolids each year.[6] Biosolids can be disposed of in several ways including placement in a landfill, distribution and marketing as fertilizer, and land application on pasture or agricultural lands.[7] Biosolids are subject to regulatory requirements established by the DEP to protect public health and the environment.[8]

The DEP regulates three classes of biosolids for beneficial use: Class AA, Class A, and Class B biosolids.[9] The classes are categorized based on treatment and quality, with Class AA biosolids receiving the highest level of treatment, and Class B receiving the lowest.[10] Consistent with federal standards, treatment of biosolids must reduce pathogens, the attractiveness of the biosolids for pests like insects and rodents, and the amount of toxic metals in the biosolids.[11]

Class AA biosolids can be distributed and marketed like other commercial fertilizers.[12] Such biosolids may be sold or given away.[13] Class AA biosolids compost products that are distributed and marketed outside of the Lake Okeechobee, St. Lucie River, and Caloosahatchee River watersheds do not have be to distributed and marketed as a fertilizer if the biosolids compost product is enrolled and certified under the U.S. Composting Council's (USCC) Seal of Testing Assurance program.[14]

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[1] Department of Environmental Protection (DEP), *General facts and statistics about wastewater in Florida,* https://floridadep.gov/water/domestic-wastewater/content/general-facts-and-statistics-about-wastewater-florida (last visited Jan. 19, 2025).

[2] Section 373.4595, F.S., defines biosolids as the solid, semisolid, or liquid residue generated during the treatment of domestic wastewater in a domestic wastewater treatment facility and include products and treated material from biosolids treatment facilities and septage management facilities. The term does not include the treated effluent or reclaimed water from a domestic wastewater treatment facility, solids removed from pump stations and lift stations, screenings and grit removed from the preliminary treatment components of domestic wastewater treatment facilities, or ash generated during the incineration of biosolids. *See also* Fla. Admin. Code R. 62-640.200(6).

[3] DEP, *Domestic wastewater biosolids*, https://floridadep.gov/water/domestic-wastewater/content/domestic-wastewater-biosolids (last visited Jan. 19, 2025).

[4] Fla. Admin. Code R. 62-640.200(6).

[5] DEP, *Domestic wastewater biosolids*.

[6] DEP, *Presentation to the Florida Senate Committee on Environment and Natural Resource*, 6 (Dec. 9, 2025), *available at* https://www.flsenate.gov/Committees/DownloadMeetingDocument/7981.

[7] *See id*.

[8] Fla. Admin. Code R. 62-640.

[9] Fla. Admin. Code R. 62-640.200.

[10] *Id.*; DEP, *Domestic wastewater biosolids*.

[11] Fla. Admin. Code R. 62-640.200; 40 C.F.R. part 503.

[12] DEP, *Domestic wastewater biosolids*; National Biosolids Data Project, *Florida biosolids*, https://www.biosolidsdata.org/florida (last visited Jan. 19, 2025); Fla. Admin. Code R. 62-640.850.

[13] Fla. Admin. Code R. 62-640.850(2).

[14] *Id.*

Biosolids are regulated under Rule 62-640 of the Florida Administrative Code. The rules provide minimum requirements, including monitoring and reporting requirements, for the treatment, management, use, and disposal of biosolids. The rules are applicable to wastewater treatment facilities, appliers, and distributors[15] and include permit requirements for both treatment facilities and biosolids application sites.[16]

Land Application of Biosolids

Land application of biosolids involves spreading biosolids on the soil surface or incorporating or injecting biosolids into the soil at a the DEP-permitted site.[17] This practice provides nutrients and organic matter to the soil on agricultural land, golf courses, forests, parks, mine reclamation sites, and other disturbed lands. Composted and treated biosolids are used by landscapers and nurseries and by homeowners for their lawns and home gardens.[18] Biosolids must be treated to at least Class B standards to be land applied.[19] Permits are required for the land application of biosolids unless they have been marketed and distributed as fertilizer.[20]

Each permit application for a biosolids application site must include a site-specific nutrient management plan (NMP) that establishes the specific rates of application and procedures to apply biosolids to land.[21] Biosolids may only be applied to land application sites that are permitted by the DEP and have a valid NMP.[22] Biosolids must be applied at rates established in accordance with the NMP and may be applied to a land application site only if all concentrations of minerals do not exceed ceiling and cumulative concentrations determined by rule.[23] According to the St. Johns Water Management District, application rates of biosolids are determined by crop nitrogen demand, which can often result in the overapplication of phosphorus to the soil and can increase the risk of nutrient runoff into nearby surface waters.[24]

Once a facility or site is permitted, it is subject to monitoring, record-keeping, reporting, and notification requirements.[25] The requirements are site-specific and can be increased or reduced by the DEP based on the quality or quantity of wastewater or biosolids treated; historical variations in biosolids characteristics; industrial wastewater or sludge contributions to the facility; the use, land application, or disposal of the biosolids; the water quality of surface and ground water and the hydrogeology of the area; wastewater or biosolids treatment processes; and the compliance history of the facility or application site.[26]

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[15] Fla. Admin. Code R. 62-640.100.
[16] Fla. Admin. Code R. 62-640.300.
[17] Environmental Protection Agency (EPA), *Land application of biosolids*, https://www.epa.gov/biosolids/land-application-biosolids (last visited Jan. 19, 2025).
[18] *Id.*
[19] Fla. Admin. Code R. 62-640.700(2).
[20] Fla. Admin. Code R. 62-640.700(1) and 62-640.850.
[21] Fla. Admin. Code R. 62-640.500.
[22] *Id*.
[23] Fla. Admin. Code R. 62-640.700.
[24] V. R. Hoge et al., *Developing a biosolids database for watershed modeling efforts*, Environmental Scientist IV, St. Johns River Water Management District, *abstract available at* http://archives.waterinstitute.ufl.edu/symposium2018/abstract_detail.asp?AssignmentID=1719 (last visited Jan. 19, 2025).
[25] Fla. Admin. Code R. 62-640.650.
[26] *Id*.

The land application of Class A and Class B biosolids is also prohibited within priority focus areas in effect for Outstanding Florida Springs if the land application is not in accordance with a NMP that has been approved by the DEP.[27] The NMP must establish the rate at which all biosolids, soil amendments, and nutrient sources at the land application site can be applied to the land for crop production while minimizing the amount of pollutants and nutrients discharged into groundwater and waters of the states.[28] In addition, the DEP may not authorize the land application of domestic wastewater biosolids within the Lake Okeechobee, Caloosahatchee River, or St. Lucie River watersheds unless the applicant demonstrates that the biosolids will not contribute to nutrient loadings in the applicable watershed, with a limited exception for Class AA biosolids that are marketed and distributed as fertilizer.[29]

Permittees applying Class A or Class B biosolids must ensure a minimum unsaturated soil depth of two feet between the depth of biosolids placement and the water table level at the time of application.[30] Permittees must also be enrolled in the Department of Agriculture and Consumer Services best management practices program or be within an agricultural operation enrolled in the program for the applicable commodity type.[31]

Historically, about two-thirds of all biosolids produced have been land applied.[32] However, between 2018 and 2024, the number of biosolids land application sites decreased from 120 to 58.[33] These reductions are expected to continue in the future.[34] Other disposal methods, including distribution and marketing of Class AA biosolids products and landfilling, are increasing.[35] Florida Class AA and Class B biosolids are also marketed and distributed out of state.[36]

III. Effect of Proposed Changes:

Section 1 amends s. 403.0855, F.S., regarding biosolids management. The bill provides that the DEP may not issue or renew a permit for a land application site which authorizes disposal or land application of septage, as defined by rule 62-640.200(43) of the Florida Administrative Code,[37] as Class B biosolids if there is a permitted wastewater treatment facility that accepts septage for higher levels of treatment which is:

- Less than 50 miles from a proposed Class B biosolids land application site;
- Owned or operated by the Federal Government or a federal agency, a state government body or agency, or a political subdivision of this state; and

[27] Section 373.811(4), F.S.
[28] *Id*.
[29] Section 373.4595(3)(b)16., (4)(b)5., and (4)(d)5., F.S.
[30] Section 403.0855(3)(a), F.S.
[31] Section 403.0855(3)(b), F.S.
[32] DEP, *Biosolids in Florida*, 5 (2019), *available at* https://www.florida-stormwater.org/assets/MemberServices/Conference/AC19/02%20-%20Frick%20Tom.pdf.
[33] DEP, *Presentation to the Florida Senate Committee on Environment and Natural Resource*, 5 (Dec. 9, 2025), *available at* https://www.flsenate.gov/Committees/DownloadMeetingDocument/7981.
[34] *Id.*
[35] *Id.* at 6.
[36] Email from DEP on file with Senate Committee on Environment and Natural Resources.
[37] This rule defines "septage" as a mixture of sludge, fatty materials, human feces, and wastewater removed during pumping of an onsite sewage treatment and disposal system. Excluded from this definition are the contents of portable toilets, holding tanks, and grease interceptors. Fla. Admin. Code R. 62-640.200(43).

- Not defunct, used for other purposes, or out of capacity.

Section 2 provides an effective date of July 1, 2026.

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:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 403.0855 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 Environment and Natural Resources on Jan. 27, 2026:
Clarified that the prohibition applies to the land application of septage as defined in rule 62-640.200(43) of the Florida Administrative Code.

B. Amendments:

None.

By the Committee on Environment and Natural Resources; and Senator Gaetz

592-02263-26 20261474c1

A bill to be entitled

An act relating to biosolids management; amending s. 403.0855, F.S.; prohibiting the Department of Environmental Protection from issuing or renewing a permit for certain biosolids land application sites if there is a permitted wastewater treatment facility that accepts septage for higher levels of treatment and which meets specified requirements; providing an effective date.

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

Section 1. Present subsection (6) of section 403.0855, Florida Statutes, is redesignated as subsection (7), and a new subsection (6) is added to that section, to read:

403.0855 Biosolids management.—

(6) The department may not issue or renew a permit for a land application site which authorizes disposal or land application of septage, as defined in rule 62-640.200(43), Florida Administrative Code, as Class B biosolids if there is a permitted wastewater treatment facility that accepts septage for higher levels of treatment which is:

(a) Less than 50 miles from a proposed Class B biosolids land application site;

(b) Owned or operated by the Federal Government or a federal agency, a state government body or agency, or a political subdivision of this state; and

(c) Not defunct, used for other purposes, or out of capacity.

Florida Senate - 2026 CS for SB 1474

592-02263-26 20261474c1

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

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

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 Appropriations Committee on Agriculture, Environment, and General Government

BILL:	CS/SB 1504
INTRODUCER:	Banking and Insurance Committee and Senator Calatayud
SUBJECT:	Insurance Customer Representative Licensing Qualifications
DATE:	February 11, 2026 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Knudson	Knudson	BI	**Fav/CS**
2.	Sanders	Betta	AEG	**Pre-meeting**
3.			RC	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

F

I. Summary:

CS/SB 1504 creates an alternative to the requirement under current law that a customer representative licensee must, within four years of applying for licensure, have either earned a degree from an accredited institution of higher learning that included at least nine credit hours of insurance instruction or have earned one of various specified insurance-related designations issued by specified entities. The bill provides that an insurance customer representative licensee may instead have earned a diploma from a Florida high school which includes one-half credit hour in insurance and personal finance. The high school diploma must have been earned within four years preceding the date an application for licensure as a customer representative is filed with the Department of Financial Services (DFS).

The bill requires the Department of Education (DOE), in consultation with the DFS, to develop a 0.5 credit course in insurance and personal finance which is available to school districts for use beginning with the 2027-2028 school year. The course must include a comprehensive analysis of basic property and casualty lines of insurance consistent with the instructional designations provided under s. 626.7351(3), F.S., for licensure as an insurance customer representative.

The bill does not impact state revenues or expenditures. See Section V., Fiscal Impact Statement.

The effective date of the bill is January 1, 2027.

II. Present Situation:

Licensure of Insurance Agents and Agencies by the Department of Financial Services

The Florida Insurance Code provides that "no person may be, act as, or advertise or hold himself or herself out to be an insurance agent, insurance adjuster, or customer representative unless he or she is currently licensed by the department and appointed by an appropriate appointing entity or person." The DFS issues licenses for general lines agents, life and health insurance agents, title insurance agents, and bail bond agents. The general lines agent license has the broadest scope of the foregoing, as general lines agents are defined in statute as an agent that transacts one or more of the following: property insurance, casualty insurance, surety insurance, health insurance, or marine insurance. The DFS also licenses insurance agencies[1], which are the business locations (other than the business location of an insurer or adjuster) that house the activities of licensed insurance agents.[2]

Insurance Customer Representatives

A customer representative is defined under the Florida Licensing Procedures Law as an individual appointed by a general lines agent or agency to assist that agent or agency in transacting the business of insurance from the office of the agent or agency.[3] A customer representative may take insurance applications, give quotes, interpret policies, explain procedures, give insurance advice, solicit new customers at the agent's office or by phone from that office, and bind new or additional coverages.[4] A customer representative must work under the direct supervision of a licensed and appointed Florida resident general lines agent. All business transacted by a customer representative under his or her license must be in the name of the agent or agency by which he or she is appointed, and the agent or agency is responsible for all acts of the customer representative within the scope of such appointment.[5]

A customer representative may be employed by only one agent or agency and the agency must appoint one designated agent within the agency who will supervise the work of the applicant and his or her conduct in the insurance business.[6] A customer representative must be a salaried employee of the agent or agency and the customer representative's salary may not be primarily based on commissions, the production of applications, insurance, or premiums. A customer representative may not transact insurance outside of the office of his or her supervising agent or agency.[7] A customer representative must be housed wholly and completely within the actual confines of the office of the agent or agency whom he or she represents.[8] A customer representative may not be employed from any location except where an agent licensed to write such lines spends his or her full time in charge of such location.

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[1] Section 626.172, F.S.
[2] Section 626.015(10), F.S.
[3] Section 626.015(6), F.S.
[4] Department of Financial Services, *Insurance Agent and Agency Services Compliance Information: General Linces Agents and Customer Representatives – Customer Representative Authority*, https://myfloridacfo.com/division/agents/compliance/general-lines-agents-customer-reps (last visited February 3, 2026).
[5] Section 626.7354(5), F.S.
[6] Section 626.7351(5), F.S.
[7] Section 626.7354(4), F.S.
[8] Section 626.7352, F.S.

Customer Representative Licensure

A customer representative must be currently licensed by the DFS and appointed by an appropriate appointing entity or person.[9] The customer representative's license is limited to the kinds of insurance for which the agent or agency by which he or she is employed is licensed and cannot include life insurance or any kind.[10] To obtain licensure from the DFS as a customer representative, a prospective licensee must apply for licensure with the DFS, meet the requirements for licensure, and pay all applicable fees.[11]

The license of a customer representative must cover all classes of insurance that his or her appointing general lines agent or agency is currently authorized to transact.[12]

Section 626.7351, F.S., sets forth the following mandatory requirements for licensure as a customer representative:

- The applicant for licensure must be found by the DFS to be trustworthy and competent to hold licensure and be a natural person at least 18 years of age.
- The applicant must be either a United States citizen or legal alien who possesses work authorization from the United States Bureau of Citizenship and Immigration Services and is a bona fide resident of this state and will actually reside in the state at least six months out of the year[13], or a resident of another state sharing a common boundary with this state and has been employed in this state for a period of not less than six months by a Florida resident general lines agent licensed and appointed under this chapter.
- The applicant must meet all requirements in ch. 626, F.S., for licensure as a customer representative.
- The applicant will be employed by only one agent or agency and the agency must appoint one designated agent within the agency who will supervise the work of the applicant, and the applicant will spend all of his or her business time in the employment of the agent or agency and will be domiciled in the office of the appointing agent or agency.
- The applicant must satisfy an educational requirement within four years preceding applying for licensure. The education requirement is satisfied if the applicant earned a degree from an accredited institution of higher learning approved by the DFS that includes at least nine credit hours of insurance instruction including specific instruction in property, casualty, and inland marine insurance, or if the applicant has earned one of various designations related to being an insurance professional which are set forth in statute.[14]

[9] Section 626.112, F.S.
[10] Section 626.7354(2), F.S.
[11] Section 626.171, F.S.
[12] Section 626.311, F.S.
[13] An individual who is a bona fide resident of this state shall be deemed to meet the residence requirements of this subsection, notwithstanding the existence at the time of application for license of a license in his or her name on the records of another state as a resident licensee of the other state, if the applicant furnishes a letter of clearance satisfactory to the department that the resident licenses have been canceled or changed to a nonresident basis and that he or she is in good standing. *See* s. 627.7351(2)(a), F.S.
[14] Section 627.7351(3), F.S. The designations specified in statute are the designation of Accredited Advisor in Insurance (AAI), Associate in General Insurance (AINS), or Accredited Customer Service Representative (ACSR) from the Insurance Institute of America; the designation of Certified Insurance Counselor (CIC) from the Society of Certified Insurance Service Counselors; the designation of Certified Professional Service Representative (CPSR) from the National Foundation for

- A customer representative licensee may not be a licensed agent or licensed service representative[15].

Florida Requirements for a Standard High School Diploma

Receipt of a standard high school diploma in Florida requires successful completion of 24 credits, which must include:

- Four credits in English Language Arts;
- Four credits in mathematics;
- Three credits in science;
- Three credits in social studies;
- One credit in fine or performing arts, speech and debate, or career and technical education;
- One credit in physical education;
- Seven and one-half credits in electives; and
- One-half credit in personal financial literacy.[16]

The credit requirement for personal financial literacy was established through the Dorothy L. Hukill Financial Literacy Act (Hukill Act), which requires that, beginning with students entering grade nine in the 2023-2024 school year, students must earn one-half credit in personal financial literacy and money management in order to receive a standard high school diploma.[17] The purpose of the Hukill Act is to better prepare young people in Florida for adulthood by providing them with the requisite knowledge to achieve financial stability and independence. The one-half credit in personal financial literacy and money management must include discussion of or instruction in all the following:

- Types of bank accounts offered, opening and managing a bank account, and assessing the quality of a depository institution's services.
- Balancing a checkbook.
- Basic principles of money management, such as spending, credit, credit scores, and managing debt, including retail and credit card debt.
- Completing a loan application.
- Receiving an inheritance and related implications.
- Basic principles of personal insurance policies.
- Computing federal income taxes.
- Local tax assessments.

CPSR; the designation of Certified Insurance Service Representative (CISR) from the Society of Certified Insurance Service Representatives; the designation of Certified Insurance Representative (CIR) from All-Lines Training; the designation of Chartered Customer Service Representative (CCSR) from American Insurance College; the designation of Professional Customer Service Representative (PCSR) from the Professional Career Institute; the designation of Insurance Customer Service Representative (ICSR) from Statewide Insurance Associates LLC; the designation of Registered Customer Service Representative (RCSR) from a regionally accredited postsecondary institution in the state whose curriculum is approved by the department and includes comprehensive analysis of basic property and casualty lines of insurance and testing which demonstrates mastery of the subject.

[15] Section 626.015(19), F.S., defines a "service representative" as an individual employed by an insurer or managing general agent for the purpose of assisting a general lines agent in negotiating and effecting insurance contracts (other than life insurance) when accompanied by a licensed general lines agent.

[16] Section 1003.4282, F.S.

[17] Chapter 2022-17, Laws of Florida.

- Computing interest rates by various mechanisms.
- Simple contracts.
- Contesting an incorrect billing statement.
- Types of savings and investments.
- State and federal laws concerning finance.
- Costs of postsecondary education, including cost of attendance, completion of the Free Application for Federal Student Aid, scholarships and grants, and student loans.

High School Elective Courses

Florida law requires school districts to develop and offer coordinated electives so that a student may develop knowledge and skills in his or her area of interest, such as electives with a Science, Technology, Engineering, and Mathematics (STEM) or liberal arts focus.[18] Such electives must include opportunities for students to earn college credit, including industry-certified career education programs or series of career-themed courses that result in industry certification or articulate into the award of college credit, or career education courses for which there is a statewide or local articulation agreement and which lead to college credit.

III. Effect of Proposed Changes:

Section 1 amends s. 626.7351, F.S., which sets forth the requirements the DFS must follow when granting or issuing a license as a customer representative. Current law requires that a customer representative licensee must have within four years of applying for licensure either earned a degree from an accredited institution of higher learning that included at least nine credit hours in certain insurance-related instruction or have earned one of various specified insurance-related designations issued by certain entities. The bill provides that an insurance customer representative licensee may instead have earned a diploma from a Florida high school which includes one-half credit hour in insurance and personal finance. The high school diploma must have been earned within four years preceding the date an application for licensure as a customer representative is filed with the Department of Financial Services.

Section 2 creates s. 1003.4207, F.S., to require that no later than January 1, 2027, the Department of Education, in consultation with the DFS, must develop a 0.5 credit course in insurance and personal finance which will be available to school districts for use beginning with the 2027-2028 school year. The course must include a comprehensive analysis of basic property and casualty lines of insurance consistent with the instructional designations for licensure as a customer representative provided under s. 626.7351(3), F.S.

Section 3 provides that the act is effective January 1, 2027.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

[18] Section 1003.4282(3)(g), F.S.

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:

Increasing opportunities for high school students to take elective courses related to insurance that meet statutory educational requirements for customer representatives, should enhance job opportunities for those students in the insurance industry and create a larger pool of potential employees for insurers and insurance agencies.

C. Government Sector Impact:

The bill has a minimal impact to state revenues or expenditures. Any costs associated with developing the insurance and personal finance course can be absorbed within existing resources.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 626.7351 of the Florida Statutes.

This bill creates section 1003.4207 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 Committee on January 28, 2026:

- Provides that the alternative educational requirement for licensure as an insurance customer representative created by the bill is satisfied by a high school diploma that includes one-half credit hour in insurance and personal finance.
- Requires the Department of Education, in consultation with the Department of Financial Services, to develop a 0.5 credit course in insurance and personal finance which is available to school districts for use beginning with the 2027-2028 school year.

B. Amendments:

None.

By the Committee on Banking and Insurance; and Senator Calatayud

597-02287-26 20261504c1

A bill to be entitled

An act relating to insurance customer representative licensing qualifications; amending s. 626.7351, F.S.; revising the qualifications for applicants for a license as an insurance customer representative; creating s. 1003.4207, F.S.; requiring the Department of Education, in consultation with the Department of Financial Services, to develop a specified insurance and personal finance course no later than a specified date; providing an effective date.

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

Section 1. Subsection (3) of section 626.7351, Florida Statutes, is amended to read:

626.7351 Qualifications for customer representative's license.—The department shall not grant or issue a license as customer representative to any individual found by it to be untrustworthy or incompetent, or who does not meet each of the following qualifications:

(3) Within 4 years preceding the date that the application for license was filed with the department, the applicant has earned the designation of Accredited Advisor in Insurance (AAI), Associate in General Insurance (AINS), or Accredited Customer Service Representative (ACSR) from the Insurance Institute of America; the designation of Certified Insurance Counselor (CIC) from the Society of Certified Insurance Service Counselors; the designation of Certified Professional Service Representative (CPSR) from the National Foundation for CPSR; the designation of

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Certified Insurance Service Representative (CISR) from the Society of Certified Insurance Service Representatives; the designation of Certified Insurance Representative (CIR) from All-Lines Training; the designation of Chartered Customer Service Representative (CCSR) from American Insurance College; the designation of Professional Customer Service Representative (PCSR) from the Professional Career Institute; the designation of Insurance Customer Service Representative (ICSR) from Statewide Insurance Associates LLC; the designation of Registered Customer Service Representative (RCSR) from a regionally accredited postsecondary institution in the state whose curriculum is approved by the department and includes comprehensive analysis of basic property and casualty lines of insurance and testing which demonstrates mastery of the subject; a diploma from a Florida high school in which the applicant completed the insurance and personal finance course provided in s. 1003.4207; or a degree from an accredited institution of higher learning approved by the department when the degree includes a minimum of 9 credit hours of insurance instruction, including specific instruction in the areas of property, casualty, and inland marine insurance. The department shall adopt rules establishing standards for the approval of curriculum.

Section 2. Section 1003.4207, Florida Statutes, is created to read:

1003.4207 Insurance and personal finance course.—No later than January 1, 2027, the Department of Education, in consultation with the Department of Financial Services, shall develop a 0.5 credit course in insurance and personal finance

which is available to school districts for use beginning with the 2027-2028 school year. The course must include a comprehensive analysis of basic property and casualty lines of insurance consistent with the instructional designations provided under s. 626.7351(3).

Section 3. This act shall take effect January 1, 2027.

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 Appropriations Committee on Agriculture, Environment, and General Government

BILL:	SB 1708
INTRODUCER:	Senator Gaetz
SUBJECT:	Veterinary Licensure
DATE:	February 11, 2026
REVISED:	

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Baird	Imhof	RI	**Favorable**
2.	Davis	Betta	AEG	**Pre-meeting**
3.			RC	

I. Summary:

SB 1708 changes the licensure by endorsement process for applicants seeking to be licensed in Florida as a veterinarian by removing the requirement that the applicant has held a valid and active license to practice veterinary medicine in another jurisdiction for the three years immediately preceding the application for licensure.

The bill also clarifies that an applicant must be in good standing in their current jurisdiction to be granted a licensure by endorsement.

The bill does not have a fiscal impact on state revenues or expenditures. See Section V., Fiscal Impact Statement.

The bill takes effect July 1, 2026.

II. Present Situation:

Practice of Veterinary Medicine

The Board of Veterinary Medicine (board) within the Department of Business and Professional Regulation (DBPR) implements the provisions of ch. 474, F.S., relating to veterinary medical practice (practice act). The purpose of the practice act is to ensure that every veterinarian practicing in this state meets minimum requirements for safe practices to protect public health and safety.[1]

[1] Section 474.201, F.S.

A "veterinarian" is a health care practitioner licensed by the board to engage in the practice of veterinary medicine in Florida[2] and they are subject to disciplinary action from the board for various violations of the practice act.[3]

The practice of "veterinary medicine" is the diagnosis of medical conditions of animals, and the prescribing or administering of medicine and treatment to animals for the prevention, cure, or relief of a wound, fracture, bodily injury, or disease, or holding oneself out as performing any of these functions.[4]

Veterinary medicine includes, with respect to animals, all of the following:
- Surgery.
- Acupuncture.
- Obstetrics.
- Dentistry.
- Physical therapy.
- Radiology.
- Theriogenology (reproductive medicine).
- Other branches or specialties of veterinary medicine.[5]

Any permanent or mobile establishment where a licensed veterinarian practices must have a premises permit issued by the DBPR.[6] Each person to whom a veterinary license or premises permit is issued must conspicuously display such document in her or his office, place of business, or place of employment in a permanent or mobile veterinary establishment or clinic.[7]

By virtue of accepting a license to practice veterinary medicine in Florida, a veterinarian consents to:
- Render a handwriting sample to an agent of the DBPR and, further, to have waived any objections to its use as evidence against her or him.
- Waive the confidentiality and authorize the preparation and release of medical reports pertaining to the mental or physical condition of the licensee when the DBPR has reason to believe that a violation of this chapter has occurred and when the DBPR issues an order, based on the need for additional information, to produce such medical reports for the time period relevant to the complaint.[8]

[2] Section 474.202(11), F.S.
[3] Sections 474.213 and 474.214, F.S.
[4] Section 474.202(9), F.S. Also included is the determination of the health, fitness, or soundness of an animal, and the performance of any manual procedure for the diagnosis or treatment of pregnancy or fertility or infertility of animals.
[5] Section 474.202(13), F.S. Section 474.202(1), F.S., defines "animal" as "any mammal other than a human being or any bird, amphibian, fish, or reptile, wild or domestic, living or dead."
[6] Section 474.215(1), F.S.
[7] Section 474.216, F.S.
[8] Section 474.2185, F.S.

For Fiscal Year 2023-2024, there were 13,392 actively licensed veterinarians in Florida. The DBPR received 611 complaints, which resulted in 44 disciplinary actions.[9]

Exemptions

Ten categories of persons are exempt from complying with ch. 474, F.S.:

- Faculty veterinarians with assigned teaching duties at accredited[10] institutions.
- Intern/resident veterinarians at accredited institutions who are graduates of an accredited institution, but only until they complete or terminate their training.
- Students in a school or college of veterinary medicine who perform assigned duties by an instructor (no accreditation of the institution is required), or work as preceptors[11] (if the preceptorship is required for graduation from an accredited institution).
- Doctors of veterinary medicine employed by a state agency or the United States Government while actually engaged in the performance of official duties at the installations for which the services were engaged.
- Persons or their employees caring for the persons' own animals, as well as part-time or temporary employees, or independent contractors, who are hired by an owner to help with herd management and animal husbandry tasks (excluding immunization or treatment of diseases that are communicable to humans and significant to public health) for herd/flock animals, with certain limitations; however, the exemption is not available to a person licensed as a veterinarian in another state and temporarily practicing in Florida, or convicted of violating ch. 828, F.S., on animal cruelty, or of any similar offense in another jurisdiction, and employment may not be provided for the purpose of circumventing ch. 474, F.S.
- Certain entities or persons[12] that conduct experiments and scientific research on animals as part of the development of pharmaceuticals, biologicals, serums, or treatment methods or techniques to diagnose or treat human ailments, or in the study and development of methods and techniques applicable to the practice of veterinary medicine.

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[9] Department of Business and Professional Regulation, *Division of Professions Annual Report Fiscal Year 2023-2024*, https://www2.myfloridalicense.com/os/documents/Division%20Annual%20Report%20FY%2023-24.pdf, (last visited January 22, 2026).

[10] Sections 474.203(1) and (2), F.S., provide that accreditation of a school or college must be granted by the American Veterinary Medical Association (AVMA) Council on Education, or the AVMA Commission for Foreign Veterinary Graduates. The AVMA Council on Education is recognized by the Council for Higher Education Accreditation (CHEA) as the accrediting body for schools and programs that offer the professional Doctor of Veterinary Medicine degree (or its equivalent) in the United States and Canada, and may also approve foreign veterinary colleges. *See* https://www.avma.org/professionaldevelopment/education/accreditation/colleges/pages/coe-pp-overview-of-the-coe.aspx (last visited January 22, 2026). The AVMA Commission for Foreign Veterinary Graduates assists graduates of foreign, non-accredited schools to meet the requirement of most states that such foreign graduates successfully complete an educational equivalency assessment certification program. *See* https://www.avma.org/professionaldevelopment/education/foreign/pages/ecfvg-about-us.aspx (last visited January 22, 2026). In turn, the CHEA, a national advocate for regulation of academic quality through accreditation, is an association of degree-granting colleges and universities. *See* http://chea.org/about (last visited January 22, 2026).

[11] A preceptor is a skilled practitioner or faculty member, who directs, teaches, supervises, and evaluates students in a clinical setting to allow practical experience with patients. *See* https://www.merriam-Webster.com/dictionary/preceptor#medicalDictionary (last visited January 22, 2026).

[12] *See* s. 474.203(6), F.S., which states that the exemption applies to "[s]tate agencies, accredited schools, institutions, foundations, business corporations or associations, physicians licensed to practice medicine and surgery in all its branches, graduate doctors of veterinary medicine, or persons under the direct supervision thereof . . . ."

- Veterinary aides, nurses, laboratory technicians, preceptors, or other employees of a licensed veterinarian, who administer medication or provide help or support under the responsible supervision of a licensed veterinarian.
- Certain non-Florida veterinarians who are licensed and actively practicing veterinary medicine in another state, are board certified in a specialty recognized by the board and are assisting upon request of a Florida-licensed veterinarian to consult on the treatment of a specific animal or on the treatment on a specific case of the animals of a single owner.
- Employees, agents, or contractors of public or private animal shelters, humane organizations, or animal control agencies operated by a humane organization, county, municipality, or incorporated political subdivision, whose work is confined solely to implanting radio frequency identification device microchips in dogs and cats in accordance with s. 823.15, F.S.[13]
- Paramedics or emergency medical technicians providing emergency medical care to a police canine[14] injured in the line of duty while at the scene of the emergency or while the police canine is being transported to a veterinary clinic or similar facility.[15]

Licensure by Endorsement

Licensure by endorsement is the most common alternative to licensure by examination in Florida. Licensure by endorsement is an expedited licensure process which allows an applicant to become licensed in Florida based upon holding a substantially equivalent professional license from another state. Under current Florida law, the DBPR is required to issue a license by endorsement to applicants who meet specific requirements demonstrating their qualifications in other jurisdictions.[16] The board is responsible for determining if the applicant has demonstrated knowledge of the laws and rules governing the practice of veterinary medicine in Florida.[17]

The applicant must either:

- Hold, and has held for the *three years immediately preceding* the application for licensure, a valid, active license to practice veterinary medicine in another state of the United States, the District of Columbia, or a territory of the United States, provided that the applicant has successfully completed a state, regional, national, or other examination that is equivalent to or more stringent than the examination required by the board[18]; or
- Have graduated from a college of veterinary medicine accredited by the American Veterinary Medical Association Council on Education; or Graduated from a college of veterinary medicine listed in the American Veterinary Medical Association Roster of Veterinary Colleges of the World and obtained a certificate from the Education Commission for Foreign

[13] Section 823.15(5), F.S., which authorizes such persons to perform microchipping of dogs and cats.
[14] Section 401.254, F.S., defines the term "police canine" as "any canine that is owned, or the service of which is employed, by a state or local law enforcement agency, a correctional agency, a fire department, a special fire district, or the State Fire Marshal for the principal purpose of aiding in the detection of criminal activity, flammable materials, or missing persons; the enforcement of laws; the investigation of fires; or the apprehension of offenders." A paramedic or an emergency medical technician who acts in good faith to provide emergency medical care to an injured police canine is immune from criminal or civil liability.
[15] Section 474.203, F.S.
[16] Section 474.217(1), F.S.
[17] *Id*.
[18] Section 474.217(b)(1), F.S.

Veterinary Graduates or the Program for the Assessment of Veterinary Education Equivalence; and

- Have successfully completed a state, regional, national, or other examination which is equivalent to or more stringent than the examination given by the DBPR and passed the board's clinical competency examination or another clinical competency examination specified by rule of the board.[19]

The DBPR is prohibited from issuing a license by endorsement to any applicant who is under investigation in any state, territory, or the District of Columbia for an act which would constitute a violation of this chapter until the investigation is complete and disciplinary proceedings have been terminated.[20]

III. Effect of Proposed Changes:

The bill amends s. 474.217, F.S., to remove the requirement that an applicant for a veterinarian license by endorsement must hold an active veterinarian license in another jurisdiction for the three years immediately preceding the application for licensure.

The bill also adds to the requirements for licensure by endorsement that the applicant be in "good standing" with the jurisdiction where the applicant's current license is active. This would allow applicants who have been granted licensure in other jurisdictions and who have had their license for less than three years to apply for a license by endorsement.

The bill provides an effective date of July 1, 2026.

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.

[19] Section 474.217(b)(2), F.S.
[20] Section 474.217(2), F.S.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill may allow additional veterinarians to be eligible to practice in Florida, which may increase access to veterinary care for animal owners and patients.

C. Government Sector Impact:

The DBPR provided the requirements of the bill will have an estimated little to no impact on the department. Therefore, the bill will have no fiscal impact on state expenditures.[21]

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 474.217 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.

B. Amendments:

None.

[21] Email from the DBPR (dated January 28, 2026), on file with the with the Senate Appropriations Committee on Agriculture, Environment, and General Government).

By Senator Gaetz

1-00917-26 20261708__

A bill to be entitled

An act relating to veterinary licensure; amending s. 474.217, F.S.; deleting the requirement for an applicant for licensure by endorsement to have held a valid active license to practice veterinary medicine in another state, the District of Columbia, or a territory of the United States for a specified amount of time; requiring applicants to hold a valid, active license in good standing to practice veterinary medicine in another state, the District of Columbia, or a territory of the United States; reenacting s. 474.2125(1), F.S., related to temporary license to provide veterinary services, to incorporate the amendment made to s. 474.217, F.S., in a reference thereto; providing an effective date.

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

Section 1. Subsection (1) of section 474.217, Florida Statutes, is amended to read:

474.217 Licensure by endorsement.—

(1) The department shall issue a license by endorsement to any applicant who, upon applying to the department and remitting a fee set by the board, demonstrates to the board that she or he:

(a) Has demonstrated, in a manner designated by rule of the board, knowledge of the laws and rules governing the practice of veterinary medicine in this state; and

(b)1. Holds~~, and has held for the 3 years immediately~~

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~~preceding the application for licensure,~~ a valid, active license in good standing to practice veterinary medicine in another state of the United States, the District of Columbia, or a territory of the United States, provided that the applicant has successfully completed a state, regional, national, or other examination that is equivalent to or more stringent than the examination required by the board; or

2. Meets the qualifications of s. 474.207(2)(b) and has successfully completed a state, regional, national, or other examination which is equivalent to or more stringent than the examination given by the department and has passed the board's clinical competency examination or another clinical competency examination specified by rule of the board.

Section 2. For the purpose of incorporating the amendment made by this act to section 474.217, Florida Statutes, in a reference thereto, subsection (1) of section 474.2125, Florida Statutes, is reenacted to read:

474.2125 Temporary license.—

(1) The board shall adopt rules providing for the issuance of a temporary license to a licensed veterinarian of another state for the purpose of enabling her or him to provide veterinary medical services in this state for the animals of a specific owner or, as may be needed in an emergency as defined in s. 252.34(4), for the animals of multiple owners, provided the applicant would qualify for licensure by endorsement under s. 474.217. No temporary license shall be valid for more than 30 days after its issuance, and no license shall cover more than the treatment of the animals of one owner except in an emergency as defined in s. 252.34(4). After the expiration of 30 days, a

new license is required.

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