

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 Budget Subcommittee on General Government Appropriations

BILL: CS/CS/SB 888

INTRODUCER: Regulated Industries Committee; Commerce and Tourism Committee; and Senator Flores

SUBJECT: Relating to Consumer Protection

DATE: February 27, 2012

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Juliachs	Hrdlicka	CM	Fav/CS
2.	Waters	Imhof	RI	Fav/CS
3.	Blizzard	DeLoach	BGA	Pre-meeting
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|--|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="checked" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

This bill amends several statutes concerning consumer protection provisions that fall under the purview of the Department of Agriculture and Consumer Services (DACS). Specifically, the bill merges the responsibilities and duties of the Division of Standards into the Division of Consumer Services. The bill also amends statutory provisions relating to professional surveyors and mappers, business opportunities, motor repair shops, pawnshops, health studios, sellers of travel, intrastate movers, telemarketing, brake fluid and anti-freeze products, fair rides, and licensing.

The Senate General Appropriations Act for Fiscal Year 2012-2013 includes a cost savings of \$800,000 from the General Inspection Trust Fund by consolidating the Division of Standards into the Division of Consumer Services.

The bill substantially amends the following sections of the Florida Statutes: 20.14, 472.005, 472.006, 472.011, 472.0131, 472.015, 472.018, 472.0202, 472.0203, 472.025, 472.0351, 493.6105, 493.6113, 493.6118, 493.6120, 501.015, 501.017, 501.059, 501.605, 501.607, 501.911, 501.913, 507.04, 525.07, 526.143, 526.50, 526.51, 526.52, 526.53, 526.55, 539.001, 559.805, 559.904, 559.928, 559.9285, 559.935, 570.29, 570.544, 616.242, F.S.

The bill creates the following sections of the Florida Statutes: 472.0337 and 472.0357, F.S.

The bill repeals the following sections of the Florida Statutes: 366.85, 559.922, 570.46 and 570.47, F.S.

II. Present Situation:

The DACS is charged with the responsibility of supporting Florida's agricultural economy, as well as protecting consumers from unsafe products and from deceptive business practices. To assist with carrying out its mission of protecting Florida's general public, the department is organized into 12 divisions, including Consumer Services, Licensing, and Standards.¹

Presently, the Division of Consumer Services is responsible for overseeing and regulating the following activities and entities: business opportunities, motor vehicle repair shops, charitable organizations, Florida Do Not Call, dance studios, pawnshops, health studios, sellers of travel, intrastate movers, game promotions, telemarketing, and professional surveyors and mappers². The Division of Standards protects consumers from unfair and unsafe business practices and products, including gasoline, brake fluid, antifreeze, liquefied petroleum gas, amusement rides, and weighing and measuring devices. Finally, the Division of Licensing is responsible for regulating private security and investigative industries, along with issuing concealed weapon and firearm licenses.

Notably, in 2009, the Division of Consumer Services underwent a significant change when the Legislature transferred³ the Board of Professional Surveyors and Mappers (board) from the Department of Business and Professional Regulation to the Department of Agriculture and Consumer Services.⁴ The effect was to transfer the operations of the board from ch. 455, F.S., to ch. 472, F.S.

III. Effect of Proposed Changes:

This bill makes numerous changes to statutes affecting the Department of Agriculture and Consumer Services.

Section 1 amends s. 20.14, F.S., to remove statutory reference to the Division of Standards.

Section 2 repeals s. 366.85, F.S., dealing with consumer conciliatory conferences and lists of sources for energy conservation products or services and of financial institutions offering energy conservation loans.

¹ Sections 20.14 and 570.29, F.S.

² See <http://www.800helpfla.com/> (Last visited February 6, 2012).

³ The board was transferred by a type two transfer. The definition of a "type two transfer" is provided in s. 20.06(2), F.S.

⁴ Chapter 2009-66, L.O.F.

Sections 3 to 14 of the bill make changes to the regulation of Professional Surveyors & Mappers.⁵

Section 3 amends s. 472.005, F.S., to redefine “license” and introduce the terms “consumer member” and “licensee.” The term “license” means a registration, certificate, or license issued by the department pursuant to the chapter.

“Consumer member” is defined as a person appointed to serve on the board⁶ who is not, and never has been, a professional surveyor or mapper in any jurisdiction or a member of any closely related profession regulated by the board.

“Licensee” means any person or business entity that has been issued, pursuant to ch. 472, F.S., a registration, certificate, or license by the department.⁷

Section 4 amends s. 472.006, F.S., by instructing the department to work with the Department of Revenue regarding the suspension or denial of the license of any licensee found to be in violation of a support order, subpoena, order to show cause, or written agreement; providing a basis for reinstating a denied or suspended license; and relieving the department of certain liability associated with the denial or suspension of a license.⁸

It should be noted that the provisions above are mandated under federal law under the current federal matching funds scheme concerning state child support enforcement programs.⁹ In 1996, Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act, which required states to target parents who owed overdue child support by enacting license restriction laws. As such, the provisions reflected in section 7 of this bill both comply with federal law and further the declared public policy of this state, which is that “children shall be maintained from the resources of their parents, thereby relieving, at least in part, the burden presently borne by the general citizenry through public assistance programs.”¹⁰

Section 5 amends s. 472.011, F.S., to authorize the department to waive license renewal fees by rule when the General Inspection Trust Fund¹¹ contains funds that exceed the amount required to cover the necessary functions of the board. This section also authorizes the board to collect a special assessment for the purpose of eliminating a cash deficit, or if there is not a cash deficit, in the amount sufficient to maintain the financial integrity of the profession.¹²

⁵ The provisions under this section transfer existing statutory language that was inadvertently omitted during the transfer of the Board of Professional Surveyors and Mappers from the Department of Business and Professional Regulation to the Department of Agriculture and Consumer Services.

⁶ The term “Board” refers to the Board of Professional Surveyors and Mappers.

⁷ The inclusion of the terms “licensee” and “consumer member” derives from identical language contained in s. 455.01, F.S.

⁸ This provision derives from the identical language contained in s. 455.203(9), F.S.

⁹ 42 U.S.C. 666(a)(16).

¹⁰ Section 409.2551, F.S.

¹¹ Section 570.20, F.S. All donations and all inspection fees and other funds authorized and received from in the enforcement of the inspection laws administered by the department are paid to the General Inspection Trust Fund of Florida.

¹² This provision derives from identical language contained in s. 455.219, F.S.

Section 6 amends s. 472.0131, F.S., to specify that applicants who have taken and failed an examination developed by the department or a contracted vendor may review their last exam.¹³

Section 7 amends s. 472.015, F.S., to permit the department to require applicants to provide social security numbers when applying for an initial or renewal license. This requirement originates from federal law which provides that the use of a social security number is limited to administering child support enforcement activities.¹⁴

This section also specifies that an application is considered to be received upon receipt by the department of the application in its proper format and with any additional documentation or fee prescribed either by law or rule. Furthermore, the department may not issue a license by endorsement to any applicant who is under investigation in this state, any other state, or any other jurisdiction for any act that would constitute a violation under this chapter until the investigation is complete and disciplinary proceedings have been terminated.¹⁵

Section 8 amends s. 472.018, F.S., by authorizing the board to use the standard recognized by the Federal Poverty Income Guidelines as produced by the United States Department of Health and Human Services when determining indigency.

Additionally, the section requires that each continuing education provider must provide to the department, in an electronic format, information regarding the continuing education status of licensees. After a licensee completes a course, the information must be submitted electronically by the continuing education provider to the department within 30 calendar days after completion. However, on the 30th day before the renewal deadline, the time period for a continuing education provider to submit such information to the department is reduced to 10 business days after completion of the course.¹⁶

Finally, this section also directs the department to establish a system for monitoring license compliance with continuing education requirements, as well as authorizes the department to refuse to renew a license until the licensee has satisfied all applicable continuing education requirements. Further, the department is not precluded from imposing additional penalties pursuant to ch. 472, F.S., or department rules.

Section 9 amends s. 472.0202, F.S., to correct a statutory citation and clarify when a licensee is subject to discipline for practicing without an active license.

Section 10 amends s. 472.0203, F.S., to allow the department to communicate with a licensee via electronic communication concerning license renewal.

Section 11 amends s. 472.025, F.S., to make technical changes concerning the regulation of seals so that it is now surrendered to the executive director of the board.

¹³ This provision derives from identical language contained in s. 455.217, F.S.

¹⁴ 42 U.S.C. 666(a)(13)(a).

¹⁵ This provision derives from identical language contained in s. 455.213, F.S. Current law provides for denial to any applicant who also is under investigation in another state for acts that would violate ch. 455, F.S.

¹⁶ This provision derives from identical language contained in s. 455.2178, F.S.

Section 12 creates s. 472.0337, F.S., which grants the department powers with respect to investigations, administration of oaths, taking depositions, and other powers.¹⁷

Section 13 amends s. 472.0351, F.S., by clarifying the grounds for commencing disciplinary actions for licensure violations and specifying the manner that a licensee may be disciplined, as well as repealing provisions that contain duplicative violations. This section further clarifies the ability of the board to discipline licenses and impose license restrictions as disciplinary penalties.¹⁸

Section 14 creates s. 472.0357, F.S., to provide that a person giving false information when applying for a license commits a third degree felony.¹⁹

Section 15 amends s. 493.6105, F.S., to allow the department to waive the firearms training requirement for a first-time applicant of a Class “G”²⁰ license under the following conditions: the applicant provides proof that he or she is currently certified as a law enforcement officer or correctional officer pursuant to the requirements of the Criminal Justice Standards and Training Commission or has successfully completed the training required for certification within the last 12 months; the applicant provides proof that he or she is currently certified as a federal law enforcement officer and has received law enforcement firearms training administered by a federal law enforcement agency; or the applicant submits a valid firearm certificate among those specified in s. 493.6105(6)(a), F.S.²¹

Section 16 amends s. 493.6113, F.S., to allow the department to waive the firearms training requirement for an applicant who is renewing their Class “G” license under the following conditions: the applicant provides proof that he or she is currently certified as a law enforcement officer or correctional officer pursuant to the requirements of the Criminal Justice Standards and Training Commission and has completed law enforcement firearms requalification training annually during the preceding two years of the licensure period; the applicant provides proof that he or she is currently certified as a federal law enforcement officer and has received law enforcement firearms training administered by a federal law enforcement agency annually during the preceding two years of the licensure period; or the applicant submits a valid firearm certificate among those specified in s. 493.6105(6)(a), F.S., and provides proof of having completed requalification training during the preceding two years of the licensure period.

Section 17 amends s. 493.6118, F.S., to expand the group of licensees subject to disciplinary action to include Class “DS”²² and “RS”²³ schools. As such, upon entry of a final order imposing an administrative fine against owners, as well as corporate or agency officers or partners, of a

¹⁷ This provision derives from identical language contained in s. 455.233, F.S.

¹⁸ This provision derives from identical language contained in s. 455.227, F.S.

¹⁹ This provision derives from identical language contained in s. 455.0357, F.S. A third degree felony is punishable by up to 5 years imprisonment and a fine of \$5,000. *See* ss. 775.082(3)(d) and 775.083(1)(c), F.S.

²⁰ Class “G” license refers to the license required for an armed security guard.

²¹ Certificates include the following: The Florida Criminal Justice Standards and Training Commission Instructor Certificate and written confirmation by the commission that the applicant possesses an active firearms certification; The National Rifle Association Private Security Firearm Instructor Certificate; or a firearms instructor certificate issued by a federal law enforcement agency.

²² Class “DS” license refers to a security officer school or training facility.

²³ Class “RS” license refers to a recovery agent school or training facility.

class “DS” and “RS” agency, school, or training facility, the license or pending requests for approval of a license for the school, its owners, and officers are automatically suspended if 30 days have elapsed since the entry of the final order and the fine has not been paid. All parties are jointly and severally liable²⁴ for fines levied against the agency, school, or training facility.

Section 18 amends s. 493.6120, F.S., to state that any owner, officer, partner, or manager of a school or training facility that knew or should have known of an activity that resulted in the revocation of the school or training facility license shall have their personal license suspended for three years and may not have any financial interest or be employed by the school or training facility during suspension.

Section 19 amends s. 501.015, F.S., by removing the term “occupational license” and replacing it with “business tax receipt” as it relates to health studios.²⁵

Section 20 amends s. 501.017, F.S., to make technical changes and to provide for “at least” 10-point boldfaced font in health studio contracts, which are required to include the language stipulated in s. 501.017(1)(a), F.S. As currently written, the statute requires exactly 10-point boldfaced type.

Section 21 amends s. 501.059, F.S., by removing the definition for “Public Service Commission”; requiring the department to keep a telephone subscriber who notifies the department of his or her desire not to receive unsolicited telephone sales calls to be placed on the “do not call” list for five years; removing fees related to placement on the “do not call” list; authorizing the department to include the phone number listings of Florida subscribers from a national “do not call list” should the Federal Trade Commission establish such a national database; and authorizing the department to impose an administrative fine not to exceed \$1,000 for every violation.

Section 22 amends s. 501.605, F.S., by removing the requirement to submit a social security number for an application to become a commercial telephone seller.

Section 23 amends s. 501.607, F.S., by removing the requirement to submit a social security number for an application to become a salesperson.

Section 24 amends s. 501.911, F.S., to remove statutory reference to the Division of Standards.

Section 25 amends s. 501.913, F.S., to require that a registrant of a brand of antifreeze, who is no longer producing for distribution such brand, to submit a notarized affidavit on company letterhead stating the following: that the brand is no longer in production; that the brand will not be distributed in the state; and that all existing products of the brand will be removed by the registrant from the state within 30 days after expiration of the registration or the registrant will reregister the brand for two subsequent registration periods. It also specifies the sample size required for registration.

²⁴ The effect of joint and several liability is to make each party liable for the entire amount of the fine regardless of that individual party’s relative degree of fault or responsibility for the violation.

²⁵ The Legislature enacted ch. 2006-152, L.O.F., which reclassified “local occupational license” to “local business tax.” This change proposes to match the statute, as amended by this bill, to its modern term as codified in s. 205.022(2), F.S.

Section 26 amends s. 507.04, F.S., to reduce the period of notification of cancellation of insurance coverage for household moving services required to be provided to the department from at least 30 days to 10 days prior to cancellation of coverage.

Section 27 amends s. 525.07, F.S., to prohibit a person from removing, using, selling, offering for sale, distributing, offering for distribution, or disposing of petroleum fuel that has been placed under a stop-sale order without receiving permission from the department. After repairs and adjustments have been made, the adjusting mechanism must immediately be resealed by the registered meter mechanic with a seal clasp bearing at least the name or initials of the registered mechanic.

Section 28 amends s. 526.143, F.S., to authorize the department to temporarily waive requirements for maintaining generators at retail motor fuel outlets that are used in preparation for, or response to, an emergency or major disaster in another state.

Section 29 amends s. 526.50, F.S., to define the terms “brand” and “formula” as they relate to brake fluid. As such, “brand” means the product name appearing on the label of a container of brake fluid while “formula” means the name of the chemical mixture or composition of the brake fluid product.

Section 30 amends s. 526.51, F.S., to require that to reregister a previously registered brand and formula combination of brake fluid, an applicant must submit a completed application to the department before the first day of the permit year. Any late submissions will incur a penalty of \$25 that will be in addition to the standard fee.

This section also requires a registrant of a brand of brake fluid, who is no longer producing for distribution such brand, to submit a notarized affidavit on company letterhead stating the following: that the brand is no longer in production; that the brand will not be distributed in the state; and that all existing products of the brand will be removed by the registrant from the state within 30 days after expiration of the registration or the registrant will reregister the brand for two subsequent registration periods.

Furthermore, all first-time applicants for a brand and formula combination must be accompanied by a certified report from an independent testing laboratory demonstrating that the quality of the brake fluid is not less than the specifications established by the department.

Section 31 amends s. 526.52, F.S., to clarify quality standards for brake fluid products by referring to the United States Department of Transportation Motor Vehicle Safety Standard No. 116, or other specified standard identified in department rule.

Section 32 amends s. 526.53, F.S., to require that stop-sale orders for brake fluid be served by the department on the owner of the brand name, the distributor, or other entity responsible for selling or distributing the brake fluid product.

The section also requires that unregistered brake fluid held by the department or its representative that has not been registered within 30 days after the issuance of a stop-sale order

may be given to any tax-supported institution or agency of the state, if the product satisfies legal specifications. If the product does not satisfy legal specifications, then the product may be disposed of as authorized by rule of the department.

Section 33 amends s. 526.55, F.S., by enumerating the penalties for violating provisions relating to brake fluid and replacing criminal sanctions with administrative and monetary sanctions, including an administrative fine of up to \$5,000.

Section 34 amends s. 539.001, F.S., by requiring that a licensee who seeks to move a pawnshop to another location must give written notice to the agency at least 30 days before the move. However, the requirement for the notice to be sent via certified or registered mail with return receipt requested is removed from the statute.

Section 35 amends s. 559.805, F.S., by removing the requirement that every seller of a business opportunity provide the department with the social security number of every independent agent who will engage in the offer or sale of business opportunities on behalf of the seller in this state. The seller of a business opportunity, however, must still provide the name, home and business address, telephone number, present employer, and birth date for each independent agent.

Section 36 amends s. 559.904, F.S., by removing the term “occupational license” and replacing it with “business tax receipt” as it relates to motor vehicle repair shops.²⁶

Section 37 repeals s. 559.922, F.S., with the effect of eliminating a financial assistance program to undertake technical training or courses of study in motor vehicle repair.

Section 38 amends s. 559.928, F.S., by removing the term “occupational license” and replacing it with “business tax receipt” as it relates to sellers of travel.²⁷ Additionally, an independent agent representing a seller of travel is no longer required to submit their social security number when filing their annual affidavit. However, they are still required to submit their name, legal business or trade name, mailing address, business address, telephone number, and address of each seller of travel represented by the independent agent.

Section 39 amends s. 559.9285, F.S., by correcting a cross-reference.

Section 40 amends s. 559.935, F.S., by removing the term “occupational license” and replacing it with “business tax receipt” as it relates to sellers of travel.²⁸

Section 41 amends s. 570.29, F.S., to remove statutory reference to the Division of Standards.

Section 42 repeals ss. 570.46 and 570.47, F.S., to remove the powers and duties the Division of Standards and to remove references to the appointment and duties of the division director.

²⁶ *Id.*

²⁷ *Id.*

²⁸ *Id.*

Section 43 amends s. 570.544, F.S., by providing that the director of the Division of Consumer Services shall supervise, direct, and coordinate the activities of the former Division of Standards and shall, under the direction of the department, enforce the provisions of chs. 472, 496, 501, 507, 525, 526, 527, 531, 539, 559, 616, and 849, F.S. The effect is to shift the duties and responsibilities of the Division of Standards to the Division of Consumer Services.

Section 44 amends s. 616.242, F.S., by removing an obsolete reference to the “Bureau of Fair Rides Inspection” and replacing it with “fair rides inspection program.” As such, the department shall by rule establish fees to cover the costs and expenditures associated with the fair rides inspection program, as opposed to the Bureau of Fair Rides Inspection.

Section 45 provides that this act shall take effect July 1, 2012.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

According to the DACS, the waiver of the firearms training requirement for a first time or renewing applicant of a Class “G” license who is either a retired law enforcement officer or a federal law enforcement officer that has undergone proper firearms training will allow such groups to qualify and remain eligible for a Class “G” license at a minimum expense and inconvenience. As such, the effect of these changes will provide greater opportunities for employment in the private investigation and security industries.²⁹ Similarly, the removal of the \$10 listing charge fee and \$5 renewal assessment associated with the “do not call list” will create a positive private sector impact.

The bill also imposes a \$25 late fee for any late submissions of applications to reregister a previously registered brand and formula of brake fluid, as well as imposes an

²⁹ Memorandum to Senate Committee on Commerce and Tourism from Department of Agriculture and Consumer Services (on file with the Senate Committee on Commerce and Tourism).

administrative fine of up to \$5,000 for any violations of law regarding the regulation of brake fluid. Additionally, this bill also gives the department the option to impose an administrative fine, not to exceed \$1,000, for every violation of the telephone solicitation and “do not call” statutes.

Lastly, the repeal of s. 559.922, F.S., resulting in the elimination of the department’s financial assistance program for technical training or courses of study in motor vehicle repair will also create a private sector impact.

C. Government Sector Impact:

According to the DACS, the merger of the divisions of Consumer Services and Standards would reduce expenses by approximately \$800,000.³⁰ The Senate General Appropriations Act for Fiscal Year 2012-2013 includes a reduction of \$800,000 from the General Inspection Trust fund due to the merger of the two divisions.

Conversely, with respect to telephone solicitation, the removal of the \$10 listing charge fee and \$5 renewal assessment associated with the “do not call list” will reduce revenue to the department by \$530,600. The DACS will continue to collect \$85,500 in fees for the selling of the “do not call list” and reductions in revenues will be offset through administrative fines.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

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

CS/CS by Regulated Industries on February 7, 2012:

Clarifies that the department may send a surveyors and mappers license renewal by e-mail if the licensee has elected to receive the notifications in that manner.

CS by Commerce and Tourism on January 19, 2012:

- Retracted on renaming of Division of Consumer Services to Division of Consumer Protection.
- Repealed s. 559.922, F.S., with the effect of eliminating the department’s financial assistance program for technical training or courses of study in motor vehicle repair.
- Repealed s. 366.85, F.S., dealing with consumer conciliatory conferences.
- Inserted the following provisions relating to the regulation of telephone solicitation:
 - Removed “Public Service Commission” from definition portion of the statute.

³⁰ *Id.*

- Required the department to keep a telephone subscriber who notified the department of his or her desire not to receive unsolicited telephone sales calls to be placed on the “do not call” list for five years.
- Removed fees relating to placement on the “do not call list.” Specifically, there is no longer an initial \$10 listing charge or \$5 renewal assessment.
- Authorized the department to include the phone number listings of Florida subscribers from any national “do not call list” if the Federal Trade Commission, pursuant to 15 U.S.C. s. 6102(a), established such a national database.
- Authorized the department, as an alternative to the civil penalties already provided, to impose an administrative fine not to exceed \$1,000 for every violation. The administrative proceeding must be conducted in accordance with ch. 120, F.S.

B. Amendments:

None.