

Tab 1	SB 480 by DiCeglie; Similar to CS/H 00497 Nonprofit Agricultural Organization Health Coverage					
205028	D	S	RCS	BI, DiCeglie	Delete everything after	03/12 09:30 AM
Tab 2	SB 756 by Burton; Identical to H 00377 Health Insurance Coverage for Individuals with Developmental Disabilities					
371536	A	S	RCS	BI, Burton	Delete L.111:	03/12 09:30 AM
Tab 3	SB 944 by Davis; Similar to H 00839 Insurance Overpayment Claims Submitted to Psychologists					
925584	A	S	RCS	BI, Davis	Delete L.11 - 39:	03/12 09:30 AM
Tab 4	SB 988 by Truenow; Similar to CS/H 00379 Securities					
573800	D	S	RCS	BI, Truenow	Delete everything after	03/12 09:30 AM
Tab 5	SB 1078 by McClain; Identical to H 00551 Fire Prevention					
258716	A	S	RCS	BI, McClain	Delete L.63 - 153:	03/12 09:30 AM
Tab 6	SB 1226 by DiCeglie; Similar to H 00655 Pet Insurance and Wellness Programs					

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

BANKING AND INSURANCE

Senator Ingoglia, Chair
Senator Sharief, Vice Chair

MEETING DATE: Monday, March 10, 2025

TIME: 1:30—3:30 p.m.

PLACE: Pat Thomas Committee Room, 412 Knott Building

MEMBERS: Senator Ingoglia, Chair; Senator Sharief, Vice Chair; Senators Boyd, Burton, Hooper, Martin, Osgood, Passidomo, Pizzo, and Truenow

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 480 DiCeglie (Similar CS/H 497)	Nonprofit Agricultural Organization Health Coverage; Citing this act as the "Nonprofit Agricultural Organization Health Coverage Act of 2025"; authorizing nonprofit agricultural organizations to provide health coverage; specifying that such coverage is not insurance for purposes of the Florida Insurance Code, etc. BI 03/03/2025 Temporarily Postponed BI 03/10/2025 Fav/CS CM RC	Fav/CS Yeas 10 Nays 0
2	SB 756 Burton (Identical H 377)	Health Insurance Coverage for Individuals with Developmental Disabilities; Revising the definitions of the terms "autism spectrum disorder" and "eligible individual", etc. BI 03/10/2025 Fav/CS AHS FP	Fav/CS Yeas 9 Nays 0
3	SB 944 Davis (Similar H 839)	Insurance Overpayment Claims Submitted to Psychologists; Requiring that insurance overpayment claims submitted to psychologists be submitted within a specified timeframe, etc. BI 03/10/2025 Fav/CS HP RC	Fav/CS Yeas 9 Nays 0
4	SB 988 Truenow (Similar H 379)	Securities; Revising the circumstances under which securities transactions are exempt from registration requirements; conforming cross-references; revising the filing requirements for securities issuers under the Florida Invest Local Exemption law; revising the list of persons who must submit fingerprints for live-scan processing for registration applications, etc. BI 03/10/2025 Fav/CS AEG FP	Fav/CS Yeas 10 Nays 0

COMMITTEE MEETING EXPANDED AGENDA

Banking and Insurance

Monday, March 10, 2025, 1:30—3:30 p.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
5	SB 1078 McClain (Identical H 551)	Fire Prevention; Requiring a local enforcement agency to issue a permit for a fire alarm system project or fire sprinkler system project within a specified time period; requiring an inspection required by the local enforcement agency of a fire alarm system project or fire sprinkler system project within a specified time period; specifying a condition under which a local amendment to the Florida Fire Prevention Code is immediately rescinded; requiring that a uniform summary inspection report include the total number of deficiencies found during the inspection of a fire protection system or hydrant, etc. BI 03/10/2025 Fav/CS CA RC	Fav/CS Yeas 9 Nays 0
6	SB 1226 DiCeglie (Similar H 655)	Pet Insurance and Wellness Programs; Revising the definition of the term "property insurance" to include a pet insurance option; providing that certain practices relating to pet wellness programs are unfair methods of competition and unfair or deceptive acts or practices; creating the "Pet Insurance Act"; requiring pet insurers to disclose certain requirements for required medical examinations of a pet by a veterinarian, etc. BI 03/10/2025 Favorable AEG FP	Favorable Yeas 10 Nays 0
Other Related Meeting Documents			

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: CS/SB 480

INTRODUCER: Banking and Insurance Committee and Senator DiCeglie

SUBJECT: Nonprofit Agricultural Organization Medical Benefit Plans

DATE: Mar. 10, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Knudson	BI	Fav/CS
2.			CM	
3.			RC	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 480 allows nonprofit agricultural organizations to offer medical benefit plans and specifies that such plans are not insurance for purposes of the Florida Insurance Code (code). The exemption of these plans from the code will provide individuals and families with access to non-insurance product, medical benefit plans, through membership in a nonprofit agricultural organization. Many rural communities have limited access to medical providers and affordable health insurance coverage.¹ The medical benefit plans offered by an eligible nonprofit agricultural organization authorized pursuant to the bill will be exempt from insurance regulation and consumer protections that apply to health insurers, health maintenance organizations, and their policies and contracts under the code.

The bill takes effect July 1, 2025.

The bill may have an indeterminate negative fiscal impact on state government premium tax revenues to the extent that purchasers of health insurance policies or health maintenance organization contracts shift their business from these insurance products insurance to the exempt health plans offered by nonprofit agricultural organizations.

¹ Brownfield, State Farm Bureaus work to join successful health care coverage program (Mar. 22, 2024), <https://www.brownfieldagnews.com/news/state-farm-bureaus-work-to-join-successful-health-care-coverage-program/> (last visited Feb. 25, 2025).

II. Present Situation:

The Patient Protection and Affordable Care Act (PPACA)²

On March 23, 2010, PPACA was signed into law. Among its sweeping changes to the U.S. health insurance system are requirements for health insurers to make coverage available to all individuals and employers,³ without exclusions, for preexisting medical conditions⁴ and without basing premiums on any health-related factors. PPACA imposes many insurance requirements, such as coverage of essential health benefits,⁵ prohibition on lifetime dollar limits⁶ on essential health benefits, rating and underwriting standards, reporting of medical loss ratios and payment of rebates,⁷ internal and external appeals of adverse benefit determinations, and other requirements.⁸ PPACA preempts any state law that prevents the application of a PPACA.

Some health insurance products that consumers may purchase are not required to comply with all the federal health insurance requirements. For example, short-term limited duration insurance⁹ and excepted benefits¹⁰ are not required to comply with PPACA requirements. The short-term plans generally have substantially lower premiums than PPACA plans. However, they exclude individuals with pre-existing conditions and offer more limited benefits than PPACA plans.¹¹

² P.L. 111-148, 124 Stat. 119-1945 (2010). PPACA was amended by P.L. 111-152, the Health Care and Education Reconciliation Act of 2010.

³ PPACA s. 1201; PHSA s. 2702 (42 U.S.C. s. 300gg-1).

⁴ 42 U.S.C. s. 300gg-3.

⁵ Department of Financial Services, Division of Consumer Services, Health Care Reform and You (Sept. 2021), https://myfloridacfo.com/docs-sf/consumer-services-libraries/consumerservices-documents/understanding-coverage/consumer-guides/health-care-reform_english-web_fl.pdf?sfvrsn=97e2ae45_1 (last visited Feb. 24, 2025).

⁶ PPACA s. 1001; PHSA s. 2711 (42 U.S.C. s. 300gg-11).

⁷ 42 USC 300gg-1. PPACA requires health insurers to report to the HHS information concerning the percent of premium revenue spent on claims for clinical services and activities (medical loss ratio or MLR). Insurers must provide a rebate to consumers if the MLR is less than 85 percent in the large group market and 80 percent in the small group and individual markets.

⁸ The federal Tax Cut and Jobs Act of 2017 eliminated the individual coverage mandate tax penalty, effective 2019. Public Law No. 115-97.

⁹ Centers for Medicare and Medicaid Services, Short-term, limited-duration insurance and independent, coordinated excepted benefits coverage (Mar. 28, 2024), <https://www.cms.gov/newsroom/fact-sheets/short-term-limited-duration-insurance-and-independent-noncoordinated-excepted-benefits-coverage-cms> (last visited Feb. 25, 2025).

¹⁰ 45 CFR s. 148.220. Excepted benefits include coverage only for accident, disability income insurance, liability insurance, workers' compensation insurance, automobile medical payments insurance, and other specified coverage.

¹¹ Kaiser Family Foundation, Why Do Short-Term Health Insurance Plans Have Lower Premiums Than Plans That Comply with the ACA? (Oct. 31, 2018), <https://www.kff.org/affordable-care-act/issue-brief/why-do-short-term-health-insurance-plans-have-lower-premiums-than-plans-that-comply-with-the-aca/> (last visited Feb. 25, 2025).

Regulation of Insurance in Florida

Florida's Office of Insurance Regulation (OIR)¹² is responsible for the regulation of all activities of insurers and other risk-bearing entities, including licensure, rates,¹³ policy forms, market conduct, claims, solvency, administrative supervision, as provided under the Florida Insurance Code (code).¹⁴ Insurance is classified into the following kinds of insurance: life, health, property, casualty, surety, marine, and title.¹⁵ The code defines "insurance" as a contract whereby one undertakes to indemnify another or pay or allow a specified amount or a determinable benefit upon determinable contingencies.¹⁶ Health insurance is insurance of human beings against bodily injury, disablement, or death by accident or accidental means, or the expense thereof, or against disablement or expense resulting from sickness, and every insurance pertaining to it.¹⁷ Health insurance does not include workers' compensation coverage, except as provided in s. 624.406, F.S.¹⁸

The OIR monitors the solvency of insurers, and takes administrative action, if necessary, against any authorized insurer if OIR determines that the continued operation of the insurer may be deemed hazardous to its policyholders or creditors, or to the general public.¹⁹ If an insurer is found to be insolvent and is ordered to be liquidated by a court, a receiver takes over the insurer under court supervision and processes the assets and liabilities through liquidation.

Generally, once an insurance company is liquidated, an insurance guaranty association becomes liable for the policy or contract obligations of the liquidated insurance company. In Florida, the Florida Life and Health Insurance Guaranty Association (association)²⁰ is the guaranty association for most insurance companies that write life, health insurance or annuities in Florida.²¹ Insurance guaranty funds are designed to protect policyholders of liquidated insurers from financial losses and delays in claim payments, up to limits provided by law.²² The association services covered policies and contracts, collects premiums, and pays valid claims.²³ All insurers authorized to write life insurance policies, health insurance

¹² The OIR is an office under the Financial Services Commission (commission), which is composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture. The commission is not subject to control, supervision, or direction by the Department of Financial Services in any manner, including purchasing, transactions involving real or personal property, personnel, or budgetary matters. Section 20.121(3), F.S.

¹³ Pursuant to s. 627.062(1), F.S., rates may not be excessive, inadequate, or unfairly discriminatory.

¹⁴ Section 20.121(3)(a)1., F.S.

¹⁵ Section 624.6011, F.S.

¹⁶ Section 624.402, F.S.

¹⁷ Section 624.403, F.S.

¹⁸ *Id.*

¹⁹ Section 624.805, F.S.

²⁰ For a consumer or subscriber that has coverage through a health maintenance organization (HMO), the Health Maintenance Organization Consumer Assistance Plan under part IV of chapter 631, F.S., was created to protect subscribers of HMOs, subject to certain limitations, against the failure of an HMO to perform its contractual obligations due to its solvency. Section 631.812, F.S.

²¹ Part III of ch. 631, F.S.

²² Section 631.712, F.S.

²³ See the association's website available at <https://www.flahiga.org/About> (last viewed Feb. 24, 2025). The maximum amount of protection provided by the association for major medical health insurance is \$500,000 per insured life. [Florida Life & Health Insurance Guaranty Association - Frequently Asked Questions](#) (last visited Feb. 25, 2025).

policies, supplemental contracts, and annuity contracts (with exceptions) in Florida are required, as a condition of doing business in this state, to be member insurers of the association.²⁴

Health Benefits Exempt from the Florida's Insurance Code

Currently the code exempts nonprofit religious organizations,²⁵ commonly known as a health care sharing ministry, from the regulatory requirements and consumer protections if the nonprofit religious organization meets the following requirements:

- Qualifies under Title 26, s. 501 of the Internal Revenue Code of 1986, as amended.
- Limits its participants to those members who share a common set of ethical or religious beliefs.
- Acts as a facilitator among participants who have financial, physical, or medical needs to assist those with financial, physical, or medical needs in accordance with criteria established by the nonprofit religious organization.
- Provides for the financial or medical needs of a participant through contributions from other participants, or through payments directly from one participant to another participant.
- Provides amounts that participants may contribute, with no assumption of risk and no promise to pay among the participants or by the nonprofit religious organization to the participants.
- Provides a monthly accounting to the participants of the total dollar amount of qualified needs shared in the previous month in accordance with criteria established by the nonprofit religious organization.
- Conducts an annual financial audit that is performed by an independent certified public accountant in accordance with generally accepted accounting principles and that is made available to the public by providing a copy upon request or by posting on the nonprofit religious organization's website.
- Does not market or sell health plans through insurance agents licensed by the Department of Financial Services under ch. 626, F.S.

The nonprofit religious organization must provide a written disclaimer on or accompanying all applications and guideline materials distributed by or on behalf of the nonprofit religious organization. The disclaimer must read in substance:

“Notice: The organization facilitating the sharing of medical expenses is not an insurance company, and neither its guidelines nor its plan of operation is an insurance policy. Membership is not offered through an insurance company, and the organization is not subject to the regulatory requirements or consumer protections of the Florida Insurance Code. Whether anyone chooses to assist you with your medical bills will be totally voluntary because no other participant is compelled by law to contribute toward your medical bills. As such, participation in the organization or a subscription to any of its documents should never be considered to be insurance.

²⁴ Sections 631.713 and 631.715, F.S.

²⁵ Section 624.1265, F.S., refers to health care sharing ministries as “nonprofit religious organizations.” A health care sharing ministry is an organization that facilitates the sharing of health care expenses among individuals with similar and sincerely held beliefs. These organizations resemble insurance in that members generally pay monthly membership fees and submit claims when they incur medical bills.

Regardless of whether you receive any payments for medical expenses or whether this organization continues to operate, you are always personally responsible for the payment of your own medical bills.”

However, the provisions of s. 624.1265, F.S. do not prevent:

- A participant from limiting the financial or medical needs that may be eligible for payment; or
- The nonprofit religious organization from canceling the membership of a participant when such participant indicates his or her unwillingness to participate by failing to meet the conditions of membership for a period greater than 60 days.

Approximately 30 states have exempted health care sharing ministries (HCSM) explicitly from insurance regulation.²⁶ A member of a health care sharing ministry (HCSM) will typically contribute a monthly payment to cover the qualifying medical expenses of other members. The HCSMs will match paying members who need the health care funds or pool all the monthly shares and administer payments to members directly. Some people may enroll in HCSMs because of their typically lower upfront costs, compared to PPACA-compliant plans. HCSMs are not insurance and cannot guarantee payment of claims, i.e., while they may share funds with members who have health needs, they are not legally required to do so. Further, the HCSMs do not have to comply with state or federal insurance regulations and consumer protections.

According to the Department of Financial Services,²⁷ plans offered by the HCSM are not subject to federal and state mandated benefits and there is no guaranty fund if a company ceases operation. There is little oversight of the organizations since no state or federal agency has regulatory authority unless the organization is determined to be operating illegally in a state. There is a history of illicit organizations claiming they are exempt from state laws based on a health care sharing ministry exemption. Several of these organizations have ceased to operate over the past several years and left individuals throughout the United States with unpaid medical bills.

Nonprofit Agricultural Organizations that Offer Medical Benefit Plans Exempted from Insurance Regulation in Other States

The American Farm Bureau Federation is a national organization that was established in 1919 to advocate for the interests of farmers, ranchers, and other persons associated with agriculture. There are state farm bureau offices in all 50 states and in Puerto Rico.²⁸ Membership in a local farm bureau is open to anyone who pays the membership fee. Each state farm bureau provides member benefits, which may include offering health care benefits to its members.²⁹

²⁶ National Association of Insurance Commissioners, What you should know about health care sharing ministries, discount plans, and risk sharing plans, (Dec. 13, 2023), <https://content.naic.org/article/what-you-should-know-about-health-care-sharing-ministries-discount-plans-and-risk-sharing-plans> (last visited Feb. 25, 2025).

²⁷ Department of Financial Services, Legislative Bill Analysis of SB 480, as filed (Feb. 14, 2025).

²⁸ American Farm Bureau Federation, Who we are, <https://www.fb.org/about/who-we-are> (last visited Feb. 24, 2025).

²⁹ Congressional Research Service, Applicability of Federal Requirements to Selected Coverage Arrangements: An Overview (Nov. 13, 2019), <https://crsreports.congress.gov/product/pdf/IF/IF11359/3> (last visited Feb. 24, 2025).

Several states have exempted nonprofit agricultural organizations or cooperatives, which offer and sell medical benefit plans, from state insurance regulations and consumer protections. State Farm Bureaus offer medical benefit plans in several states³⁰ an alternative to health insurance coverage that aims to offer lower costs for individual benefits to members and their families, self-employed farmers, and others.³¹ The Farm Bureau Health Plans in Tennessee, a member service company of the Tennessee Farm Bureau Federation, has been offering medical benefit plans since 1947 and currently provides medical benefit plans for more than 200,000 residents.³² The vast majority of farmers and farm workers who lack health insurance coverage have incomes below 400 percent of the federal poverty level, which is the income cut-off for federal subsidies on policies offered on the Health Insurance Marketplace³³ that help pay for premiums in the individual health insurance market.³⁴ In addition to individual and family plans, Medicare, dental and vision, and small employer medical benefit plans are offered to members.³⁵

In regard to pre-existing condition waiting periods, benefits will not be provided until a member has completed a waiting period of at least six months for all contracts and nine months for maternity on family contracts.³⁶ These plans require medical underwriting,³⁷ which may affect eligibility and rates.³⁸ The plans are not compliant with PPACA, which means they can medically underwrite covered individuals, impose waiting periods for preexisting conditions, and are not required to provide essential health benefits, etc. These plans are only available to Farm Bureau members, though an individual does not necessarily need to be affiliated with the agricultural industry to become a member.⁹

In 2017, Minnesota³⁹ enacted legislation that allows for the formation of agricultural cooperatives to operate self-funded health plans. Plan membership is restricted to farmers or

³⁰ Arkansas (2023 SB 324), Indiana (IN Code s. 27-1-2.2-4), Iowa (IA s. 505.20), Kansas (KS Stat s.40-2222), Nebraska (NE Code s. 44-7,119), North Dakota (2023 SB 2349), South Dakota (2021 SB 87), Tennessee (TN Code s. 56-2-121), Texas (TX Ins Code s. 1682.005).

³¹ Insurance Newsnet, Farm bureau launches new health plan that is everything but 'insurance' (Oct. 12, 2024), <https://insurancenewsnnet.com/oarticle/farm-bureau-launches-new-health-plan-that-is-everything-but-insurance> (last visited Feb. 24, 2025).

³² Farm Bureau Health Plans Tennessee, [Why Choose Farm Bureau Health Plans? | Farm Bureau Health Plans](#) (last visited Feb. 27, 2025).

³³ HealthCare.gov, Welcome to the Health Insurance Marketplace, [Welcome to the Health Insurance Marketplace@ | HealthCare.gov](#) (last visited Feb. 25, 2025). The website provides individuals with access to obtaining PPACA-compliant health insurance coverage during open enrollment and special enrollment periods. Individuals may qualify for subsidies or Medicaid, contingent on their income.

³⁴ Center on Budget and Policy Priorities, Expanding Skimpy Health Plans Is the Wrong Solution for Uninsured Farmers and Farm Workers (Jul. 17, 2018), <https://www.cbpp.org/research/health/expanding-skimpy-health-plans-is-the-wrong-solution-for-uninsured-farmers-and-farm> (last visited Feb. 25, 2025).

³⁵ Farm Bureau Health Plans Tennessee, [Frequently Asked Questions | Farm Bureau Health Plans](#) (last visited Feb. 25, 2025).

³⁶ Farm Bureau Health Plans Tennessee, [Individual and Family Plans | Core Choice | Farm Bureau Health Plans](#) (last visited Feb. 25, 2025).

³⁷ Medical underwriting is a process used by insurers to determine the health status of an applicant for insurance coverage, and to determine whether to offer an applicant coverage, at what price, and with what exclusions or limits. See <https://www.healthcare.gov/glossary/medical-underwriting/> (last visited Feb. 26, 2025).

³⁸ Farm Bureau Health Plans Tennessee, [Home](#) (last visited Jan. 25, 2025).

³⁹ State Health Access Data Assistance Center, Alternatives to ACA Compliant Plans in the Individual Market (Nov. 15, 2019), <https://www.shadac.org/news/alternatives-aca-compliant-plans-individual-market> (last visited Feb. 25, 2025).

other people in the agriculture industry.⁴⁰ The plans accept all who apply but are underwritten such that people with prior health conditions can be charged higher premiums.⁴¹

III. Effect of Proposed Changes:

Section 1 creates s. 624.4032, F.S., relating to nonprofit agricultural organization medical benefit plans, to authorize nonprofit agricultural organizations to offer health benefit options to their members. The term, “nonprofit agricultural organization” means an organization that meets the following criteria:

- Is domiciled in Florida.
- Is exempt from federal income tax under s. 501(c)(3) of the Internal Revenue Code.
- Was created primarily to promote programs for the development of rural communities and the economic stability and sustainability of farmers in Florida.
- Exists to serve its members beyond only offering health coverage.
- Collects annual dues from its members.
- Was in existence before 1945.
- Is composed of members who, collectively, are residents of the majority of counties in this state.

Further, a nonprofit agricultural association:

- May offer medical benefit plans to its members. Such plans are not insurance for purposes of the Florida Insurance Code.
- Must provide a written disclaimer on or accompanying all applications and marketing materials for a medical benefit plan, regardless of whether such applications and marketing materials are distributed by or on behalf of the nonprofit agricultural organization. The disclaimer must read substantially in the following form:

Notice: This medical benefit plan is not a health insurance policy or health maintenance organization contract and is not subject to the regulatory requirements and consumer protections that apply to health insurance policies or health maintenance organization contracts under the Florida Insurance Code. The nonprofit agricultural organization offering this medical benefit plan is not an authorized insurer or authorized health maintenance organization in Florida and the nonprofit agricultural organization is not subject to the regulatory requirements or consumer protections of the Florida Insurance Code.

- May not market or sell health benefit plans through agents licensed by the department.⁴²

⁴⁰ The Minnesota Star Tribune, Farmer cooperative health plans may rattle individual market in Minnesota (Nov. 14, 2017), <https://www.startribune.com/farmer-cooperative-health-plans-may-rattle-individual-market-in-minnesota/457321193> (last visited Feb. 25, 2025).

⁴¹ *Id.*

⁴² The term, “department,” means the Department of Financial Services.

- Must conduct an annual financial audit that is performed by an independent certified public accountant and make a copy of the audit publicly available upon request or post it online on the organization's website.

Because such medical benefit plans are not insurance, various state statutes relating to regulation of forms and rates, financial regulations, availability of a guaranty funds in the event of an insolvency and other consumer protections, and mandated benefits will not apply to nonprofit agricultural organization plans.

Section 4 provides this act takes effect July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Individuals, families, or small businesses who are ineligible for subsidies through the Health Insurance Marketplace may be able to obtain a lower cost alternative to health insurance through plans offered by nonprofit agricultural organizations.

If the nonprofit agricultural organization is unable to pay claims or becomes insolvent, there is no state guaranty fund to pay claims.

C. Government Sector Impact:

Insurance premium tax revenues may be reduced to the extent that purchasers of health plans shift their business from health insurance to the exempt health plans proposed by the bill.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 632.701 of the Florida Statutes.

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

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

CS by Banking and Insurance on Mar. 10, 2025:

The CS:

- Revises and transfers the provisions of the bill from newly created Part II of ch. 632, F.S., to newly created s. 624.4032, F.S.
- Replaces the term, “health coverage,” a health insurance related term, with the term, “medical benefit plans.”
- Authorizes nonprofit agricultural organizations to offer health benefit plans to their members, and specifies such coverage is not insurance for purposes of the Florida Insurance Code.
- Requires a nonprofit agricultural organization to provide a written disclaimer on or accompanying all applications and marketing materials for a medical benefit plan.
- Provides that a nonprofit agricultural organization may not market or sell health benefit plans through agents licensed by the department.
- Requires a nonprofit agricultural organization to conduct an annual financial audit that is performed by an independent certified public accountant and make a copy publicly available upon request or post it online on the organization’s website.

B. Amendments:

None.



205028

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/12/2025	.	
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The Committee on Banking and Insurance (DiCeglie) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 624.4032, Florida Statutes, is created
to read:

624.4032 Nonprofit agricultural organization medical
benefit plans.—

(1) The purpose of this section is to authorize nonprofit
agricultural organizations to offer medical benefit plans to



205028

their members.

(2) For purposes of this section, the term "nonprofit agricultural organization" means an organization that meets all of the following criteria:

(a) Is domiciled in this state.

(b) Is exempt from federal income tax under s. 501(c)(3) of the Internal Revenue Code.

(c) Was created primarily to promote programs for the development of rural communities and the economic stability and sustainability of farmers in this state.

(d) Exists to serve its members beyond only offering medical expense plans.

(e) Collects annual dues from its members.

(f) Was in existence before 1945.

(g) Is composed of members who, collectively, are residents of the majority of counties in this state.

(3) A nonprofit agricultural organization:

(a) May offer medical benefit plans to its members. Such plans are not insurance for purposes of the Florida Insurance Code.

(b) Shall provide a written disclaimer on or accompanying all applications and marketing materials for a medical benefit plan, regardless of whether such applications and marketing materials are distributed by or on behalf of the nonprofit agricultural organization. The disclaimer must be in contrasting color and at least 12-point type. The disclaimer must read in substantially the following form:

Notice: This medical benefit plan is not a health



205028

insurance policy or health maintenance organization
contract and is not subject to the regulatory
requirements and consumer protections that apply to
health insurance policies or health maintenance
organization contracts under the Florida Insurance
Code. The nonprofit agricultural organization offering
this medical benefit plan is not an authorized insurer
or authorized health maintenance organization in
Florida and the nonprofit agricultural organization is
not subject to the regulatory requirements or consumer
protections of the Florida Insurance Code.

(c) May not market or sell medical benefit plans through
agents licensed by the department.

(d) Must conduct an annual financial audit that is
performed by an independent certified public accountant in
accordance with generally accepted accounting principles and
make it publicly available either by providing a copy upon
request or posting it on the nonprofit agricultural
organization's website.

Section 2. This act shall take effect July 1, 2025.

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

And the title is amended as follows:

Delete everything before the enacting clause
and insert:

A bill to be entitled
An act relating to nonprofit agricultural organization
medical benefit plans; creating s. 624.4032, F.S.;



205028

69 providing legislative purpose; defining the term
70 "nonprofit agricultural organization"; authorizing
71 nonprofit agricultural organizations to provide
72 medical benefit plans; specifying that such plans are
73 not insurance for purposes of the Florida Insurance
74 Code; requiring a specified disclosure; providing
75 requirements for the disclosure; prohibiting the
76 nonprofit agricultural organization from marketing or
77 selling a medical benefit plan through specified
78 agents; requiring the nonprofit agricultural
79 organization to conduct an annual financial audit and
80 make such audit publicly available; providing an
81 effective date.

By Senator DiCeglie

18-00843-25

2025480

A bill to be entitled

An act relating to nonprofit agricultural organization health coverage; providing directives to the Division of Law Revision; providing a short title; creating s. 632.701, F.S.; providing legislative purpose; defining the term "nonprofit agricultural organization"; authorizing nonprofit agricultural organizations to provide health coverage; specifying that such coverage is not insurance for purposes of the Florida Insurance Code; providing an effective date.

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

Section 1. The Division of Law Revision is directed to:

(1) Revise the title of chapter 632, Florida Statutes, to read "Fraternal Benefit Societies and Nonprofit Agricultural Organizations";

(2) Create part I of chapter 632, Florida Statutes, consisting of ss. 632.601-632.638, Florida Statutes, to be entitled "Fraternal Benefit Societies"; and

(3) Create part II of chapter 632, Florida Statutes, consisting of s. 632.701, Florida Statutes, to be entitled "Nonprofit Agricultural Organizations."

Section 2. This act may be cited as the "Nonprofit Agricultural Organization Health Coverage Act of 2025."

Section 3. Section 632.701, Florida Statutes, is created to read:

632.701 Nonprofit agricultural organization health coverage.—

Page 1 of 2

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

18-00843-25

2025480

(1) The purpose of this section is to authorize nonprofit agricultural organizations to offer health coverage options to their members.

(2) For purposes of this section, the term "nonprofit agricultural organization" means an organization that meets all of the following criteria:

(a) Is domiciled in this state.

(b) Is exempt from federal income tax under s. 501(c)(3) of the Internal Revenue Code.

(c) Was created primarily to promote programs for the development of rural communities and the economic stability and sustainability of farmers in this state.

(d) Exists to serve its members beyond only offering health coverage.

(e) Collects annual dues from its members.

(f) Was in existence before 1945.

(g) Is composed of members who, collectively, are residents of the majority of counties in this state.

(3) Notwithstanding any law to the contrary, a nonprofit agricultural organization may offer health coverage. Such coverage is not insurance for purposes of the Florida Insurance Code.

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

Page 2 of 2

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

3/10/25

Meeting Date

B&I

Committee

Name

Tripp Hunter

Phone

850-468-6442

Address

Street

Email

City

State

Zip

Speaking:

☐

For

☐

Against

☐

Information

OR

Waive Speaking:

☒

In Support

☐

Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐

I am appearing without compensation or sponsorship.

☒

I am a registered lobbyist, representing:

Farm Bureau

☐

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

~~205028~~ SB 480

Bill Number or Topic

205028

Amendment Barcode (if applicable)

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

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

S-001 (08/10/2021)

3-10-25

Meeting Date

The Florida Senate
APPEARANCE RECORD

SB 480

Bill Number or Topic

Banking and Insurance
Committee

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

Amendment Barcode (if applicable)

Name Daniel Martinez

Phone 305-240-2917

Address 107 E College Ave
Street

Email DMartinez@AFPHQ.org

Tallahassee FL 32301
City State Zip

Speaking: ☐ For ☐ Against ☐ Information

OR

Waive Speaking: ☒ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:

Americans for
Prosperity-FLORIDA

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

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

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S-001 (08/10/2021)

The Florida Senate
APPEARANCE RECORD

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3/10/25

Meeting Date

B&T

Committee

SB 480

Bill Number or Topic

Amendment Barcode (if applicable)

Name

Tripp Hunter

Phone

850-408-6012

Address

Street

Email

City

State

Zip

Speaking:

☐

For

☐

Against

☐

Information

OR

Waive Speaking:

☒

In Support

☐

Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐

I am appearing without
compensation or sponsorship.

☒

I am a registered lobbyist,
representing:

Farm Bureau

☐

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

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

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

S-001 (08/10/2021)

APPEARANCE RECORD

3/10/25

Meeting Date

Senate Banking & Insurance

Committee

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

480

Bill Number or Topic

Amendment Barcode (if applicable)

Name

Susan Harbin

Phone

770-546-8845

Address

Email

susan.harbin@cancer.org

Street

City

State

Zip

Speaking:

☐ For☒ Against☐ Information**OR**

Waive Speaking:

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

American Cancer Society Cancer Action Network

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

The Florida Senate
APPEARANCE RECORD

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

3/10/25
Meeting Date

Banking & Insurance
Committee

SB 480
Bill Number or Topic

Amendment Barcode (if applicable)

Name Tiffany McCaskill Henderson

Phone (850) 933-5928

Address remote
Street

Email tiffany.henderson@heart.org

Tallahassee FL
City State Zip

Speaking: ☐ For ☐ Against ☐ Information

OR

Waive Speaking: ☐ In Support ☒ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:

American Heart Association

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

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

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

S-001 (08/10/2021)

COMMITTEE: Banking and Insurance
ITEM: SB 480
FINAL ACTION: Favorable with Committee Substitute
MEETING DATE: Monday, March 10, 2025
TIME: 1:30—3:30 p.m.
PLACE: 412 Knott Building

FINAL VOTE			3/10/2025 Amendment 205028 DiCeglie					
Yea	Nay	SENATORS	Yea	Nay	Yea	Nay	Yea	Nay
X		Boyd						
X		Burton						
X		Hooper						
X		Martin						
X		Osgood						
X		Passidomo						
X		Pizzo						
X		Truenow						
X		Sharief, VICE CHAIR						
X		Ingoglia, CHAIR						
10	0		RCS	-				
Yea	Nay	TOTALS	Yea	Nay	Yea	Nay	Yea	Nay

Temporarily PostponedFINAL ACTION: Not consideredNot considered

CODES: FAV=Favorable
UNF=Unfavorable
-R=Reconsidered

RCS=Replaced by Committee Substitute
RE=Replaced by Engrossed Amendment
RS=Replaced by Substitute Amendment

TP=Temporarily Postponed
VA=Vote After Roll Call
VC=Vote Change After Roll Call

WD=Withdrawn
OO=Out of Order
AV=Abstain from Voting

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: CS/SB 756

INTRODUCER: Banking and Insurance Committee and Senator Burton

SUBJECT: Health Insurance Coverage for Individuals with Developmental Disabilities

DATE: March 10, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Knudson	BI	Fav/CS
2.			AHS	
3.			FP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 756 revises eligibility provisions relating to coverage of autism spectrum disorder, thereby expanding coverage and access to coverage in the large group market (coverage through an employer with more than 50 employees). Autism spectrum disorder (ASD) is a neurological and developmental disorder that affects how individuals interact with others, communicate, learn, and behave. Although ASD can be diagnosed at any age, it is described as a “developmental disorder” because symptoms generally appear in the first two years of life.¹

The bill revises the definition of the term, “autism spectrum disorder,” to conform with the definition provided in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders.²

The bill also eliminates the age eligibility limitations on providing large group insurance coverage for ASD, thereby expanding eligibility for coverage to all individuals with ASD, rather than just individuals with ASD who are under 18 years of age and individuals with ASD in high school at age 18 or older who were diagnosed with a developmental disability before age 9.

¹ National Institute of Health, Autism Spectrum Disorder (Dec. 2024), <https://www.nimh.nih.gov/health/topics/autism-spectrum-disorders-asd> (last visited Mar. 1, 2025).

² American Psychiatric Association, Diagnostic and Statistical Manual of Mental Disorders DSM-5-TR (Mar. 2022). The DSM is standard classification of mental disorders used by mental health professionals in the United States to diagnose mental disorders.

The bill takes effect January 1, 2026.

The bill may have an indeterminate impact on the state group health insurance program.

II. Present Situation:

Autism spectrum disorder (ASD) is a neurological and developmental disorder that affects how individuals interact with others, communicate, learn, and behave. Although ASD can be diagnosed at any age, it is described as a “developmental disorder” because symptoms generally appear in the first two years of life.³ About 1 in 36 children have been identified with ASD.⁴ ASD is nearly 4 times more common among boys than among girls.⁵

Diagnosis of Autism Spectrum Disorder

ASD is a neurological and developmental disorder that affects how individuals interact with others, communicate, learn, and behave. Although ASD can be diagnosed at any age, it is described as a “developmental disorder” because symptoms generally appear in the first two years of life.⁶

Diagnosing ASD usually relies on parents’ or caregivers’ descriptions of their child’s development and a licensed professional’s observation of the child’s behavior. The American Psychiatric Association’s Diagnostic and Statistical Manual (DSM-5-TR), provides standardized criteria to help diagnose ASD.⁷

The term, autism spectrum disorder, reflects a scientific consensus that four previously separate disorders are a single condition with different levels of symptom severity in two core domains.⁸ ASD now encompasses the previous DSM-IV autistic disorder (autism), Asperger’s disorder, childhood disintegrative disorder, and pervasive developmental disorder not otherwise specified.⁹ ASD is characterized by (1) deficits in social communication and social interaction and (2) restricted repetitive behaviors, interests, and activities (RRBs). Because both components are required for diagnosis of ASD, social communication disorder is diagnosed if no RRBs are present.

³ National Institute of Health, Autism Spectrum Disorder (Dec. 2024), <https://www.nimh.nih.gov/health/topics/autism-spectrum-disorders-asd> (last visited Mar. 1, 2025).

⁴ Centers for Disease Control, [Prevalence and Characteristics of Autism Spectrum Disorder Among Children Aged 8 Years — Autism and Developmental Disabilities Monitoring Network, 11 Sites, United States, 2020 | MMWR](#) (Mar. 24, 2023), (last visited Feb. 28, 2025).

⁵ *Id.*

⁶ National Institute of Health, Autism Spectrum Disorder (Dec. 2024), <https://www.nimh.nih.gov/health/topics/autism-spectrum-disorders-asd> (last visited Mar. 1, 2025).

⁷ American Psychiatric Association, Frequently Asked Questions, <https://www.psychiatry.org/psychiatrists/practice/dsm/frequently-asked-questions#:~:text=What%20is%20DSM%20and%20why,the%20diagnosis%20of%20mental%20disorders> (last visited Feb. 28, 2025).

⁸ American Psychiatric Association, Highlights of Changes from DSM-IV-TR to DSM-5 (2022) [APA DSM Changes from DSM-IV-TR to DSM-5.pdf](#). (last visited Mar. 1, 2025).

⁹ *Id.*

To meet diagnostic criteria for ASD pursuant to DSM-5-TR, a child must have persistent deficits in each of three areas of social communication and interaction (see A.1. through A.3. below) plus at least two of four types of restricted, repetitive behaviors (see B.1. through B.4. below):

- A. Persistent deficits in social communication and social interaction across multiple contexts, as manifested by all the following, currently or by history (examples are illustrative, not exhaustive):
 1. Deficits in social-emotional reciprocity, ranging, for example, from abnormal social approach and failure of normal back-and-forth conversation; to reduced sharing of interests, emotions, or affect; to failure to initiate or respond to social interactions.
 2. Deficits in nonverbal communicative behaviors used for social interaction, ranging, for example, from poorly integrated verbal and nonverbal communication; to abnormalities in eye contact and body language or deficits in understanding and use of gestures; to a total lack of facial expressions and nonverbal communication.
 3. Deficits in developing, maintaining, and understanding relationships, ranging, for example, from difficulties adjusting behavior to suit various social contexts; to difficulties in sharing imaginative play or in making friends; to absence of interest in peers.
- B. Restricted, repetitive patterns of behavior, interests, or activities, as manifested by at least two of the following, currently or by history (examples are illustrative, not exhaustive; see text):
 1. Stereotyped or repetitive motor movements, use of objects, or speech (e.g., simple motor stereotypes, lining up toys or flipping objects, echolalia, idiosyncratic phrases).
 2. Insistence on sameness, inflexible adherence to routines, or ritualized patterns of verbal or nonverbal behavior (e.g., extreme distress at small changes, difficulties with transitions, rigid thinking patterns, greeting rituals, need to take same route or eat same food every day). Highly restricted, fixated interests that are abnormal in intensity or focus (e.g., strong attachment to or preoccupation with unusual objects, excessively circumscribed or perseverative interests).
 3. Highly restricted, fixated interests that are abnormal in intensity or focus (e.g., strong attachment to or preoccupation with unusual objects, excessively circumscribed or perseverative interests).
 4. Hyperreactivity or hyporeactivity to sensory input or unusual interest in sensory aspects of the environment (e.g., apparent indifference to pain/temperature, adverse response to specific sounds or textures, excessive smelling or touching of objects, visual fascination with lights or movement).¹⁰

Treatment and Intervention for ASD¹¹

Current treatments for ASD seek to reduce symptoms that interfere with daily functioning and quality of life. Treatments can be given in education, health, community, or home settings, or a combination of settings. As individuals with ASD leave high school and grow into adulthood,

¹⁰ See Centers for Disease Control, Autism Spectrum Disorder, Clinical Testing and Diagnosis for Autism Spectrum Disorder, [Clinical Testing and Diagnosis for Autism Spectrum Disorder | Autism Spectrum Disorder \(ASD\) | CDC](#) (last visited Feb. 28, 2025). Additional diagnostic criteria for ASD is described.

¹¹ Centers for Disease Control, Treatment and Intervention for Autism Spectrum Disorder (May 16, 2024), [Treatment and Intervention for Autism Spectrum Disorder | Autism Spectrum Disorder \(ASD\) | CDC](#) (last visited Mar. 1, 2025).

additional services can help improve health and daily functioning, and facilitate social and community engagement.

There are many types of treatments available. These treatments generally can be broken down into the following categories, although some treatments involve more than one approach:

- Behavioral
- Educational.
- Social-relational.
- Pharmacological.
- Psychological.
- Complementary and alternative.

Requirements Related to the Federal Mental Health Parity and Addiction Equity Act¹²

On December 23, 2024, final rules for amending regulations implementing the Paul Wellstone and Pete Domenici Mental Parity and Addiction Equity Act of 2008 (MHPAEA) were released.¹³ These final rules aim to further MHPAEA's fundamental purpose to ensure that individuals with group health plans or group or individual health insurance coverage who seek treatment for covered mental health (MH) conditions or substance use disorders (SUDs) do not face greater burdens on access to benefits for those conditions or disorders than they would face when seeking coverage for the treatment of a medical condition or a surgical procedure. Specifically, these final rules amend the existing non-quantitative treatment limitations (NQTL) standard to prohibit group health plans and health insurance issuers offering group or individual health insurance coverage from using NQTLs that place greater restrictions on access to mental health and substance use disorder benefits as compared to medical/surgical benefits.

The Employee Benefits Security Administration and the Centers for Medicare and Medicaid are responsible for enforcing MHPAEA, together with states that have the authority to enforce MHPAEA.¹⁴ Florida has not enacted legislation that authorizes the Office of Insurance Regulation to enforce the provisions of MHPAEA. Although the law requires a general equivalence in the way MH/SUD and medical/surgical benefits are treated with respect to annual and lifetime dollar limits, financial requirements and treatment limitations, MHPAEA does not require group health plans or health insurers to cover MH/SUD benefits. However, the Patient Protection and Affordable Care Act¹⁵ builds on MHPAEA and requires coverage of mental

¹² Centers for Medicare and Medicaid Services, <https://www.cms.gov/marketplace/private-health-insurance/mental-health-parity-addiction-equity> (last visited Mar. 7, 2025).

¹³ See Public Law 116-260 and 45 C.F.R. Parts 146 and 147.

¹⁴ U.S. Department of Labor, FY 2022 MHPAEA Enforcement Fact Sheet, <https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/mental-health-parity/mhpaea-enforcement-2022#:~:text=These%20protections%20are%20vital%20for,MHPAEA%2C%20together%20with%20the%20states>. (last visited Mar. 7, 2025).

¹⁵ P.L. 111-148, 124 Stat. 119-1945 (2010). PPACA was amended by P.L. 111-152, the Health Care and Education Reconciliation Act of 2010.

health and substance use disorder services as one of ten essential health benefits categories in non-grandfathered individual and small group plans.

State Regulation of Insurance

The Office of Insurance Regulation (OIR),¹⁶ is responsible for all activities concerning health maintenance organizations (HMOs), health insurers and other risk-bearing entities, including licensing, rates, policy forms, market conduct, claims, issuance of certificates of authority, solvency, viatical settlements, premium financing, and administrative supervision, as provided under the Florida Insurance Code.¹⁷ To transact business in Florida, a health insurer or HMO must obtain a certificate of authority from the OIR.¹⁸ The Agency for Health Administration (Agency) regulates the quality of care provided by HMOs under part III of ch. 641, F.S. Prior to receiving a certificate of authority from the OIR, an HMO must receive a Health Care Provider Certificate from the Agency.¹⁹ As part of the certification process used by the Agency, an HMO must provide information to demonstrate that the HMO has the ability to provide quality of care consistent with the prevailing standards of care.²⁰

Coverage for Autism Spectrum Disorder in Florida

The Florida Insurance Code provides coverage for autism spectrum disorder for the insureds or members in the large group market,²¹ including the state group insurance plan,²² for eligible individuals.²³ “Autism spectrum disorder”²⁴ is any of the following disorders as defined in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association:

- Autistic disorder;
- Asperger’s syndrome; and
- Pervasive developmental disorder not otherwise specified.

“An eligible individual” means an individual under 18 years of age or an individual 18 years of age or older who is in high school who has been diagnosed as having a developmental disability at 8 years of age or younger.²⁵

Such coverage must include, at a minimum, the following benefits:²⁶

- Well-baby and well-child screening for diagnosing the presence of autism spectrum disorder.

¹⁶ The OIR is a unit under the Financial Services Commission, which is composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture. Commission members serve as the agency head for purposes of rulemaking under ch. 120, F.S. See s. 20.121(3), F.S.

¹⁷ Section 20.121(3)(a), F.S.

¹⁸ Sections 624.401 and 641.49, F.S.

¹⁹ Section 641.495, F.S.

²⁰ *Id.*

²¹ A large group plan provides coverage for an employer with more than 50 employees.

²² Section 110.123, F.S.

²³ Section 627.6686, F.S. applies to insurers and s. 641.31098, F.S., applies to health maintenance organizations.

²⁴ Sections 627.6686(2)(b), F.S., and 641.31098(2)(b), F.S.

²⁵ Sections 627.6686(2)(c), and 641.31098(2)(c), F.S.

²⁶ Sections 627.6686(3) and 641.31098(3), F.S.

- Treatment of autism spectrum disorder and Down syndrome through speech therapy, occupational therapy, physical therapy, and applied behavior analysis. Applied behavior analysis services shall be provided by an individual certified pursuant to s. 393.17,²⁷ F.S., or an individual licensed under ch. 490²⁸ or ch. 491.²⁹

The coverage mandated under this section is subject to the following requirements:³⁰

- Coverage shall be limited to treatment that is prescribed by the insured's treating physician in accordance with a treatment plan.
- Such coverage is limited to \$36,000 annually and may not exceed \$200,000 in total lifetime benefits. The maximum benefits must be adjusted annually on January 1 of each calendar year to reflect any change from the previous year in the medical component of the then current Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the United States Department of Labor
- Coverage may not be denied on the basis that provided services are habilitative in nature.
- Coverage may be subject to other general exclusions and limitations of the insurer's policy or plan, including, but not limited to, coordination of benefits, participating provider requirements, restrictions on services provided by family or household members, and utilization review of health care services, including the review of medical necessity, case management, and other managed care provisions.

Coverage for Mental and Nervous Disorders

Section 627.668, F.S., requires insurers and health maintenance organization group health plans to make available to the policyholder (i.e. employer) as part of the application, for an appropriate additional premium, under a hospital and medical expense-incurred insurance policy, under a prepaid health care contract, and under a hospital and medical service plan contract, coverage for mental and nervous disorders. Under group policies or contracts, inpatient hospital benefits, partial hospitalization benefits, and outpatient benefits consisting of durational limits, dollar amounts, deductibles, and coinsurance factors shall not be less favorable than for physical illness generally, except that:

- Inpatient benefits may be limited to not less than 30 days per benefit year as defined in the policy or contract. If inpatient hospital benefits are provided beyond 30 days per benefit year, the durational limits, dollar amounts, and coinsurance factors thereto need not be the same as applicable to physical illness generally.
- Outpatient benefits may be limited to \$1,000 for consultations with a licensed physician, a psychologist licensed pursuant to ch. 490, F.S., a mental health counselor licensed pursuant to ch. 491, F.S., a marriage and family therapist licensed pursuant to ch 491, F.S., and a clinical social worker licensed pursuant to ch 491, F.S. If benefits are provided beyond the \$1,000 per benefit year, the durational limits, dollar amounts, and coinsurance factors thereof need not be the same as applicable to physical illness generally.

²⁷ Behavior analysts.

²⁸ Practice of psychology.

²⁹ The scope of this chapter includes the practice of clinical social work, practice of marriage and family therapy, practice of mental health counseling.

³⁰ Sections 627.6686(4) and 641.31098(4), F.S.

- Partial hospitalization benefits shall be provided under the direction of a licensed physician. For purposes of this part, the term “partial hospitalization services” is defined as those services offered by a program that is accredited by an accrediting organization whose standards incorporate comparable regulations required by this state. Alcohol rehabilitation programs accredited by an accrediting organization whose standards incorporate comparable regulations required by this state or approved by the state and licensed drug abuse rehabilitation programs shall also be qualified providers under this section. In a given benefit year, if partial hospitalization services or a combination of inpatient and partial hospitalization are used, the total benefits paid for all such services may not exceed the cost of 30 days after inpatient hospitalization for psychiatric services, including physician fees, which prevail in the community in which the partial hospitalization services are rendered. If partial hospitalization services benefits are provided beyond the limits set forth in this paragraph, the durational limits, dollar amounts, and coinsurance factors thereof need not be the same as those applicable to physical illness generally.

III. Effect of Proposed Changes:

Sections 1 and 2 amend ss. 627.6696 and 641.31098, F.S., relating to health insurance and health maintenance organization coverage of autism spectrum disorders (ASD) in the large group market, respectively. The sections revise the definition of ASD to mean as defined in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM) of the American Psychiatric Association. Under current law, ASD is defined to mean any of the following disorders as defined by the DSM of the American Psychiatric Association:

- Autistic disorder.
- Asperger’s syndrome.
- Pervasive developmental disorder not otherwise specified.

The term, “eligible individual,” as it applies to ASD coverage, is revised to eliminate the general age cap of age 18 for coverage and the associated age cap for diagnosis. Under current law, an eligible individual must be under 18 years of age or be an individual 18 years of age or older who is in high school who has been diagnosed with a developmental disability at 8 years of age or younger.

Sections 3 and 4 reenact ss. 409.906(26) and 943.1727, F.S., to incorporate the bill’s amendments to s. 627.6686, F.S.

Section 409.906(26), F.S., authorizes the Agency for Health Care Administration to seek federal approval of a Medicaid waiver or state plan amendment for home and community-based services for autism spectrum disorder and other developmental disabilities.

Section 943.1727, F.S., requires the Department of Law Enforcement to establish a continued employment training component relating to autism spectrum disorder to enable law enforcement to recognize the symptoms and characteristics of ASD and to respond appropriately to such individuals.

Section 5 provides the bill takes effect 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:

Since the bill removes the current age limit and diagnosis restriction by age 8 for coverage of an individual in the large group market who has been diagnosed with a developmental disorder, additional individuals diagnosed with autism spectrum disorder will be eligible for coverage, and existing insureds or members can continue coverage beyond age 18.

C. Government Sector Impact:

Indeterminate.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The heading or catchline for the two provisions amended in the bill are different. For s. 627.6696, F.S., the heading is "Coverage for individuals with autism spectrum disorder required; exceptions. However, the heading for s. 641.31098, F.S., is "Coverage for individuals with developmental disorders."

VIII. Statutes Affected

This bill substantially amends sections 627.6686, 641.31098, 409.906, and 943.1727 of the Florida Statutes.

IX. Additional Information:

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

CS by Banking and Insurance on March 7, 2026:

The CS changes the effective date of the bill from July 1, 2025, to January 1, 2026.

- B. **Amendments:**

None.



371536

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/12/2025	.	
	.	
	.	
	.	

The Committee on Banking and Insurance (Burton) recommended the following:

Senate Amendment

Delete line 111
and insert:
Section 5. This act shall take effect January 1, 2026.

By Senator Burton

12-00487-25

2025756

A bill to be entitled

An act relating to health insurance coverage for individuals with developmental disabilities; amending ss. 627.6686 and 641.31098, F.S.; revising the definitions of the terms "autism spectrum disorder" and "eligible individual"; reenacting ss. 409.906(26) and 943.1727, F.S., relating to optional Medicaid services and continued employment training relating to autism spectrum disorder, respectively, to incorporate the amendment made to s. 627.6686, F.S., in references thereto; providing an effective date.

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

Section 1. Paragraphs (b) and (c) of subsection (2) of section 627.6686, Florida Statutes, are amended to read:

627.6686 Coverage for individuals with autism spectrum disorder required; exception.—

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

(b) "Autism spectrum disorder" has the same meaning as ~~means any of the following disorders as~~ defined in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association:

~~1. Autistic disorder.~~

~~2. Asperger's syndrome.~~

~~3. Pervasive developmental disorder not otherwise specified.~~

(c) "Eligible individual" means an individual ~~under 18 years of age or an individual 18 years of age or older who is in~~

12-00487-25

2025756

~~high school~~ who has been diagnosed as having a developmental disability ~~at 8 years of age or younger.~~

Section 2. Paragraphs (b) and (c) of subsection (2) of section 641.31098, Florida Statutes, are amended to read:

641.31098 Coverage for individuals with developmental disabilities.—

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

(b) "Autism spectrum disorder" has the same meaning as ~~means any of the following disorders as~~ defined in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association:

~~1. Autistic disorder.~~

~~2. Asperger's syndrome.~~

~~3. Pervasive developmental disorder not otherwise specified.~~

(c) "Eligible individual" means an individual ~~under 18 years of age or an individual 18 years of age or older who is in~~ ~~high school~~ who has been diagnosed as having a developmental disability ~~at 8 years of age or younger.~~

Section 3. For the purpose of incorporating the amendment made by this act to section 627.6686, Florida Statutes, in a reference thereto, subsection (26) of section 409.906, Florida Statutes, is reenacted to read:

409.906 Optional Medicaid services.—Subject to specific appropriations, the agency may make payments for services which are optional to the state under Title XIX of the Social Security Act and are furnished by Medicaid providers to recipients who are determined to be eligible on the dates on which the services were provided. Any optional service that is provided shall be

12-00487-25

2025756

provided only when medically necessary and in accordance with state and federal law. Optional services rendered by providers in mobile units to Medicaid recipients may be restricted or prohibited by the agency. Nothing in this section shall be construed to prevent or limit the agency from adjusting fees, reimbursement rates, lengths of stay, number of visits, or number of services, or making any other adjustments necessary to comply with the availability of moneys and any limitations or directions provided for in the General Appropriations Act or chapter 216. If necessary to safeguard the state's systems of providing services to elderly and disabled persons and subject to the notice and review provisions of s. 216.177, the Governor may direct the Agency for Health Care Administration to amend the Medicaid state plan to delete the optional Medicaid service known as "Intermediate Care Facilities for the Developmentally Disabled." Optional services may include:

(26) HOME AND COMMUNITY-BASED SERVICES FOR AUTISM SPECTRUM DISORDER AND OTHER DEVELOPMENTAL DISABILITIES.—The agency is authorized to seek federal approval through a Medicaid waiver or a state plan amendment for the provision of occupational therapy, speech therapy, physical therapy, behavior analysis, and behavior assistant services to individuals who are 5 years of age and under and have a diagnosed developmental disability as defined in s. 393.063, autism spectrum disorder as defined in s. 627.6686, or Down syndrome, a genetic disorder caused by the presence of extra chromosomal material on chromosome 21. Causes of the syndrome may include Trisomy 21, Mosaicism, Robertsonian Translocation, and other duplications of a portion of chromosome 21. Coverage for such services shall be limited to \$36,000

12-00487-25

2025756

annually and may not exceed \$108,000 in total lifetime benefits. The agency shall submit an annual report on January 1 to the President of the Senate, the Speaker of the House of Representatives, and the relevant committees of the Senate and the House of Representatives regarding progress on obtaining federal approval and recommendations for the implementation of these home and community-based services. The agency may not implement this subsection without prior legislative approval.

Section 4. For the purpose of incorporating the amendment made by this act to section 627.6686, Florida Statutes, in a reference thereto, section 943.1727, Florida Statutes, is reenacted to read:

943.1727 Continued employment training relating to autism spectrum disorder.—The department shall establish a continued employment training component relating to autism spectrum disorder as defined in s. 627.6686. The training component shall include, but need not be limited to, instruction on the recognition of the symptoms and characteristics of an individual on the autism disorder spectrum and appropriate responses to an individual exhibiting such symptoms and characteristics. Completion of the training component may count toward the 40 hours of instruction for continued employment or appointment as a law enforcement officer required under s. 943.135.

Section 5. This act shall take effect July 1, 2025.

The Florida Senate

APPEARANCE RECORD

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

3/10/25

Meeting Date

Banking and Insurance

Committee

SB 756

Bill Number or Topic

Amendment Barcode (if applicable)

Name

Michael McCreight

Phone

321-483-9307

Address

1849 S Kirkman Road

Email

Orlando

City

FL

State

32811

Zip

Speaking: ☒ For ☐ Against ☐ Information

OR

Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:



I am appearing without
compensation or sponsorship.



I am a registered lobbyist,
representing:



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

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

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

S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

Bill Number or Topic

SB 756

Amendment Barcode (if applicable)

Meeting Date

3/10/2025

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

Committee

Banking + Insurance

Name

Jeret Madei

Phone

850-345-6276

Address

3150 Windsong Dr.

Email

Jeret@yahoo.com

Street

Tallahassee FL

32308

City

State

Zip

Speaking:

☐

For

☐

Against

☐

Information

OR

Waive Speaking:

☒

In Support

☐

Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒

I am appearing without
compensation or sponsorship.

☐

I am a registered lobbyist,
representing:

☐

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

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

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

S-001 (08/10/2021)

The Florida Senate

March 10, 2025

APPEARANCE RECORD

SB 756

Meeting Date

Bill Number or Topic

Banking and Insurance

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

Committee

Amendment Barcode (if applicable)

Name Alan Abramowitz

Phone 85-0=241=3232

Address 2898 Mahan Drive

Email CEO@ArcFlorida.org

Street

Tallahassee

FL

323-8

City

State

Zip

Speaking:

☒ For

☐ Against

☐ Information

OR

Waive Speaking:

☒ In Support

☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:



I am appearing without
compensation or sponsorship.



I am a registered lobbyist,
representing:

The Arc of Florida



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

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

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

S-001 (08/10/2021)

3/10/25

Meeting Date

The Florida Senate
APPEARANCE RECORD

SB 756

Bill Number or Topic

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

Banking & Insurance

Committee

Amendment Barcode (if applicable)

Name Melissa Olive

Phone 512-426-1924

Address 15336 Motta Way

Street

Email molive@fabaworld.org

Naples

City

~~FL~~

FL

State

34114

Zip

Speaking: ☐ For ☐ Against ☐ Information

OR

Waive Speaking: ☒ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without
compensation or sponsorship.

☐ I am a registered lobbyist,
representing:

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

The FL Association for Behavior Analysis

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

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

S-001 (08/10/2021)

APPEARANCE RECORD

SB 754

Bill Number or Topic

3/10/2025

Meeting Date

Banking and Insurance

Committee

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

Amendment Barcode (if applicable)

Name

Shauntel Smith - Florida PTA

Phone

(407) 855-7604

Address

1747 Orlando Central Parkway

Street

Email

floridapta.org

Orlando

City

FL

State

32809

Zip

Speaking:

☐

For

☐

Against

☐

Information

OR

Waive Speaking:

☒

In Support

☐

Against

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

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

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

S-001 (08/10/2021)

March 10, 2025

Meeting Date

Banking and Insurance

Committee

The Florida Senate

APPEARANCE RECORD

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

756

Bill Number or Topic

Amendment Barcode (if applicable)

Name **James McFaddin**

Phone **850-671-4401**

Address **123 S. Adams St**

Email **mcfaddin@thesoutherngroup.com**

Street

Tallahassee

FL

32301

City

State

Zip

Speaking: ☐ For ☐ Against ☐ Information

OR

Waive Speaking: ☒ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:

Autism Speaks

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

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

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

S-001 (08/10/2021)

The Florida Senate COMMITTEE VOTE RECORD

COMMITTEE: Banking and Insurance
ITEM: SB 756
FINAL ACTION: Favorable with Committee Substitute
MEETING DATE: Monday, March 10, 2025
TIME: 1:30—3:30 p.m.
PLACE: 412 Knott Building

[illegible]

CODES: FAV=Favorable
UNF=Unfavorable
-R=Reconsidered

RCS=Replaced by Committee Substitute
RE=Replaced by Engrossed Amendment
RS=Replaced by Substitute Amendment

TP=Temporarily Postponed
VA=Vote After Roll Call
VC=Vote Change After Roll Call

WD=Withdrawn
OO=Out of Order
AV=Abstain from Voting

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: CS/SB 944

INTRODUCER: Banking and Insurance Committee and Senator Davis

SUBJECT: Insurance Overpayment Claims Submitted to Psychologists

DATE: March 10, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Knudson	BI	Fav/CS
2.			HP	
3.			RC	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 944 reduces from 30 months to 12 months the timeframe for an insurer or health maintenance organization (HMO) to submit claims for overpayment to a licensed psychologist. The reduction in the look back period results in licensed psychologists being subject to the same 12-month lookback period for insurer and HMO overpayments as health care providers licensed under chs. 458 (medical practice), 459 (osteopathic medicine), 460 (chiropractic medicine), 461 (podiatric medicine), or 466 (dentistry), F.S.

II. Present Situation:

State Regulation of Insurance

The Office of Insurance Regulation (OIR),¹ is responsible for all activities concerning health maintenance organizations (HMOs), health insurers and other risk-bearing entities, including licensing, rates, policy forms, market conduct, claims, issuance of certificates of authority, solvency, viatical settlements, premium financing, and administrative supervision, as provided under the Florida Insurance Code.² To transact business in Florida, a health insurer or HMO must

¹ The OIR is a unit under the Financial Services Commission, which is composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture. Commission members serve as the agency head for purposes of rulemaking under ch. 120, F.S. See s. 20.121(3), F.S.

² Section 20.121(3)(a), F.S.

obtain a certificate of authority from the OIR.³ The Agency for Health Administration (agency) regulates the quality of care provided by HMOs under part III of ch. 641, F.S. Prior to receiving a certificate of authority from the OIR, an HMO must receive a Health Care Provider Certificate from the agency.⁴ As part of the certification process used by the agency, an HMO must provide information to demonstrate that the HMO has the ability to provide quality of care consistent with the prevailing standards of care.⁵

Payment of Health Insurer and HMO Claims

The Florida Insurance Code⁶ prescribes the rights and responsibilities of health care providers, health insurers, and HMOs for the payment of claims. Florida's prompt payment laws govern payment of provider claims submitted to insurers and HMOs, including Medicaid managed care plans, in accordance with ss. 627.6131, 627.662, and 641.3155, F.S., respectively.⁷ The law prescribes a protocol for specified providers to use for the submission of their claims to an insurer or HMO, as well as a statutory process for insurers or HMOs to use for the payment or denial of the claims.

Generally, an insurer or HMO claim for overpayment must be submitted to a provider within 30 months after the payment of the claim by an insurer or HMO.⁸ A provider must pay, deny, or contest the claim for overpayment of a health insurer or HMO within 40 days after receiving the claim. All contested claims for overpayment must be paid or denied by an insurer or HMO within 120 days after receiving the claim.⁹ Failure to pay or deny overpayment and claim within 140 days after receipt creates an uncontestable obligation to pay the claim.¹⁰ A claim for overpayment is not permitted beyond 30 months after the health insurer's or HMO's payment of a claim, except that claims for overpayment may be sought beyond that time from providers convicted of fraud pursuant to s. 817.234, F.S.¹¹

Section 627.6131(18), F.S., provides an exception to the period of 30 months for an insurer to submit a claim for overpayment to a provider. Section 641.3155(16), F.S., provides the same requirements for an HMO. All claims for overpayment submitted to a provider licensed under chs. 458 (medical practice), 459 (osteopathic medicine), 460 (chiropractic medicine), 461 (podiatric medicine), or 466 (dentistry), F.S., must be submitted to the provider within 12 months after the health insurer's payment of the claim. A claim for overpayment may not be permitted after 12 months except that claims for overpayment may be sought beyond that time from providers convicted of fraud pursuant to s. 817.234, F.S.

³ Sections 624.401 and 641.49, F.S.

⁴ Section 641.495, F.S.

⁵ *Id.*

⁶ Pursuant to s. 624.01, F.S., chs. 624-632, 634, 635, 636, 641, 642, 648, and 651 constitute the "Florida Insurance Code."

⁷ The prompt pay provisions apply to HMO contracts and major medical policies offered by individual and group insurers licensed under ch. 624, F.S.

⁸ Section 627.6131(6), F.S., and s. 641.3155(5) F.S., for HMO provision.

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

Division of State Group Insurance Program

Under the authority of s. 110.123, F.S., the Department of Management Services (DMS), through the Division of State Group Insurance, administers the state group health insurance program under a cafeteria plan consistent with s. 125, Internal Revenue Code. To administer the state group health insurance program, DMS contracts with third party administrators for self-insured health plans and insured plans, as well as a pharmacy benefits manager for the state employees' self-insured prescription drug program pursuant to s. 110.12315, F.S.

Oversight of the Practice of Psychology in Florida

The Board of Psychology within the Department of Health is the state's regulatory board for the practice of psychology under the Psychological Services Act.¹² The "practice of psychology" means the observations, description, evaluation, interpretation, and modification of human behavior, by the use of scientific and applied psychological principles, methods, and procedures, for the purpose of describing, preventing, alleviating, or eliminating symptomatic, maladaptive, or undesired behavior and of enhancing interpersonal behavioral health and mental or psychological health.¹³ Chapter 490, F.S., prescribes the requirements for an individual to be licensed as a psychologist.¹⁴

III. Effect of Proposed Changes:

Section 1 amends s. 627.6131, F.S., relating to the payment of claims, to add a provider licensed under ch. 490, F.S., (psychologists) to the list of health care providers to whom an insurer must submit a claim for overpayment within 12 months instead of 30 months after payment of the claim.

Section 2 amends s. 641.3155(16), F.S., relating to payment of claims, to add a provider licensed under ch. 490, F.S., (psychologists) to the list of health care providers to whom a health maintenance organization (HMO) must submit a claim for overpayment within 12 months instead of 30 months after payment of the claim.

Section 2 provides that the amendments made in this act to ss. 627.6131(18), and 641.3155(16), F.S., apply to claims for services provided on or after January 1, 2026.

Section 3 provides the bill takes effect July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

¹² Sections 490.001 and 490.004, F.S.

¹³ Section 490.003(4), F.S.

¹⁴ Section 490.003(7), F.S., defines a psychologist as a person licensed pursuant to s. 490.005(1), F.S., s. 490.006, F.S., or the provision identified as s. 490.013(2), F.S., in s. 1, ch. 81-235, Laws of Florida.

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 reduces the look back period for an insurer or health maintenance organization to submit claims to psychologists from 30 months to 12 months. According to advocates of the bill, the reduction in the look back period may lead to increased participation by some psychologists in insurer or HMO networks, thereby resulting in improved access to mental health care for insured patients.¹⁵

C. Government Sector Impact:

None.

VI. Technical Deficiencies:**VII. None. Related Issues:**

None.

VIII. Statutes Affected:

This bill substantially amends sections 627.6131 and 641.3155 of the Florida Statutes.

¹⁵ Florida Psychological Association, Reduce the lookback period for psychologists to increase access to mental health (on file with Senate Committee on Banking and Insurance).

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

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

The CS:

- Adds a health care provider licensed under ch. 490, F.S., (psychologists) to the list of health care providers to whom a health maintenance organization (HMO) must submit a claim for overpayment within 12 months instead of 30 months after payment of the claim.
- Revises the implementation date for application of the provisions of the bill to claims for services provided on or after January 1, 2026, instead of July 1, 2025, and adds a conforming change to reference s. 641.3155, F.S., thereby subjecting HMO claims for services to this same requirement.

B. Amendments:

None.



925584

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/12/2025	.	
	.	
	.	
	.	

The Committee on Banking and Insurance (Davis) recommended the following:

Senate Amendment (with title amendment)

Delete lines 11 - 39

and insert:

Section 1. Subsection (18) of section 627.6131, Florida Statutes, is amended to read:

627.6131 Payment of claims.—

(18) Notwithstanding the 30-month period provided in subsection (6), all claims for overpayment submitted to a provider licensed under chapter 458, chapter 459, chapter 460,



925584

chapter 461, ~~or~~ chapter 466, or chapter 490 must be submitted to the provider within 12 months after the health insurer's payment of the claim. A claim for overpayment may not be permitted beyond 12 months after the health insurer's payment of a claim, except that claims for overpayment may be sought beyond that time from providers convicted of fraud pursuant to s. 817.234.

Section 2. Subsection (16) of section 641.3155, Florida Statutes, is amended to read:

641.3155 Prompt payment of claims.—

(16) Notwithstanding the 30-month period provided in subsection (5), all claims for overpayment submitted to a provider licensed under chapter 458, chapter 459, chapter 460, chapter 461, ~~or~~ chapter 466, or chapter 490 must be submitted to the provider within 12 months after the health maintenance organization's payment of the claim. A claim for overpayment may not be permitted beyond 12 months after the health maintenance organization's payment of a claim, except that claims for overpayment may be sought beyond that time from providers convicted of fraud pursuant to s. 817.234.

Section 3. The amendments made by this act to ss. 627.6131(18) and 641.3155(16), Florida Statutes, apply to claims for services provided on or after January 1, 2026.

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

And the title is amended as follows:

Delete lines 3 - 4

and insert:

submitted to psychologists; amending ss. 627.6131 and 641.3155, F.S.; requiring that insurance

By Senator Davis

5-00824-25

2025944

A bill to be entitled

An act relating to insurance overpayment claims submitted to psychologists; amending s. 627.6131, F.S.; revising a definition; requiring that insurance overpayment claims submitted to psychologists be submitted within a specified timeframe; providing applicability; providing an effective date.

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

Section 1. Subsections (2) and (18) of section 627.6131, Florida Statutes, are amended to read:

627.6131 Payment of claims.—

(2) As used in this section, except where the context clearly indicates otherwise, the term “claim” for a noninstitutional provider means a paper or electronic billing instrument submitted to the insurer’s designated location that consists of the HCFA 1500 data set, or its successor, that has all mandatory entries for a physician licensed under chapter 458, chapter 459, chapter 460, chapter 461, or chapter 463, or psychologists licensed under chapter 490 or any appropriate billing instrument that has all mandatory entries for any other noninstitutional provider. For institutional providers, “claim” means a paper or electronic billing instrument submitted to the insurer’s designated location that consists of the UB-92 data set or its successor with entries stated as mandatory by the National Uniform Billing Committee.

(18) Notwithstanding the 30-month period provided in subsection (6), all claims for overpayment submitted to a

Page 1 of 2

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

5-00824-25

2025944

provider licensed under chapter 458, chapter 459, chapter 460, chapter 461, ~~or~~ chapter 466, or chapter 490 must be submitted to the provider within 12 months after the health insurer’s payment of the claim. A claim for overpayment may not be permitted beyond 12 months after the health insurer’s payment of a claim, except that claims for overpayment may be sought beyond that time from providers convicted of fraud pursuant to s. 817.234.

Section 2. The amendments made by this act to s. 627.6131(18), Florida Statutes, apply to claims for services provided on or after October 1, 2025.

Section 3. This act shall take effect July 1, 2025.

Page 2 of 2

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

March 10, 2025

Meeting Date

The Florida Senate
APPEARANCE RECORD

SB 944

Bill Number or Topic

Banking & Insurance

Committee

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

Amendment Barcode (if applicable)

Name **Deborah Foote**

Phone **850-656-2222**

Address **PO Box 7416**

Email **deborah@flapsych.com**

Street

Tallahassee

FL

32314

City

State

Zip

Speaking: ☒ For ☐ Against ☐ Information

OR

Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☐ I am a registered lobbyist,
representing:

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

FL Psychological Assoc.

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

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

S-001 (08/10/2021)

COMMITTEE: Banking and Insurance
ITEM: SB 944
FINAL ACTION: Favorable with Committee Substitute
MEETING DATE: Monday, March 10, 2025
TIME: 1:30—3:30 p.m.
PLACE: 412 Knott Building

FINAL VOTE			3/10/2025 Amendment 925584 ¹					
			Davis					
Yea	Nay	SENATORS	Yea	Nay	Yea	Nay	Yea	Nay
X		Boyd						
X		Burton						
X		Hooper						
X		Martin						
X		Osgood						
X		Passidomo						
X		Pizzo						
		Truenow						
X		Sharief, VICE CHAIR						
X		Ingoglia, CHAIR						
9	0		RCS	-				
Yea	Nay	TOTALS	Yea	Nay	Yea	Nay	Yea	Nay

CODES: FAV=Favorable
UNF=Unfavorable
-R=Reconsidered

RCS=Replaced by Committee Substitute
RE=Replaced by Engrossed Amendment
RS=Replaced by Substitute Amendment

TP=Temporarily Postponed
VA=Vote After Roll Call
VC=Vote Change After Roll Call

WD=Withdrawn
OO=Out of Order
AV=Abstain from Voting

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: CS/SB 988

INTRODUCER: Banking and Insurance Committee and Senator Truenow

SUBJECT: Securities

DATE: March 11, 2025

REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Johnson	Knudson	BI	Fav/CS
2. _____	_____	AEG	_____
3. _____	_____	FP	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 988 revises provisions of ch. 517, F.S., the “Securities and Investor Protection Act” (Act), which is subject to oversight by the Office of Financial Regulation (OFR). In 2024, the Florida Legislature enacted legislation¹ that substantially revised ch. 517, F.S., which was based on recommendations contained in the report issued by the Chapter 517 Task Force of the Business Law Section of The Florida Bar in coordination with the OFR.² The impetus for the task force is to increase the ability of small and developing Florida businesses to raise capital, while at the same time assuring and improving investor protections and enforcement measures to guard against abuse.³ Many of the provisions in SB 988 clarify provisions that were enacted, revise related provisions enacted in 2024, or provide technical changes.

Exempt Securities Transactions and Exempt Securities

The bill:

- Removes the applicability of certain issuer disqualification provisions under the Securities and Exchange Commission (SEC) Rule 506(d) on certain exempt private placements transactions by institutional securities sellers with institutional investors in Florida, which

¹ Chapter 2024-168, Laws of Fla.

² Report of the Chapter 517 Task Force of the Business Law Section of The Florida Bar, Recommendations and Analysis of Proposed Amendments to the Florida Securities and Investor Protection Act (Nov. 2023).

³ *Id.*

cures the applicability of the issuer disqualification provisions to the institutional issuers, which is consistent with federal rules. It appears the provision was meant to apply to issuer disqualifications; however, Rule 506(d) applies to issuers as well as significant number of other covered persons. Representatives of the financial services industry expressed concerns regarding this disqualification provision in connection with the effect of prohibiting exempt transactions conducted with institutional investors in Florida, including offerings made pursuant to Rule 144A under the Securities Act. Such transaction continues to be subject to the anti-fraud provisions of ch. 517, F.S.

- Expands the list of institutional investors covered by the exempt securities transactions, which is consistent with the Uniform Securities Act and federal rules. Institutional investors include financial institutions, insurers, dealers, investment companies, pension or profit-sharing trust, and qualified institutional buyers.
- Revises provisions, relating to the Florida Invest Local Exemption, to require an issuer making an offering under this exemption to file a notice of the offering and a copy of the disclosure statement with OFR.
- Provides that offers and sales made in compliance with s. 517.061(9), F.S., relating to exempt securities transactions of institutional issuers with institutional investors, are not subject to integration with other offerings. These transactions involve sophisticated investors.
- Requires the Financial Services Commission (commission) to consider certain factors when designating a foreign securities exchange or foreign securities market by rule in connection with certain exempt transactions.

Investor Protections

The bill:

- Revises provisions relating to the Securities Guaranty Fund (fund), which was created to provide relief to victims of securities violations under ch. 517, F.S., and who are entitled to monetary damages or restitution but cannot recover the full amount of such damages or restitution from the wrongdoer. The term, “restitution order” is created for purposes of eligibility for compensation, and the minimum information that an applicant must provide to OFR to seek payment from the fund is revised to specifically include such restitution orders. The bill clarifies the requirements that a person must meet to be eligible for payment from the fund.
- Revises a provision, relating to the protection of specified adults who may be victims of financial exploitation, to extend the number of additional days a dealer or investment adviser may delay a disbursement or transaction from 10 to 30 days to conduct a review if the dealer or investment adviser believes that financial exploitation of the specified adult has occurred. This change would make the provisions relating to securities dealers and investment advisers consistent with the provisions applicable to financial institutions.

Registration Requirements of Dealers, Associated Persons, Intermediaries, and Investment Advisers

The bill:

- Updates provisions relating to the Mergers and Acquisitions model rule to conform to the 2024 revisions to the model rule that were made because of 2022 federal law changes, and provides rulemaking authority for the Financial Services Commission to adjust earnings and revenue eligibility requirements for privately held companies every five years, if necessary.
- Creates and revises definitions and provisions relating to the application process to clarify the population of persons who must submit fingerprints as part of the registration process for dealers, associated persons, investment advisors, and intermediaries. To ensure compliance with the criteria established in Public Law 92-544, the applicants for registration and any associated or affiliated person must be clearly identified for the FBI to continue conducting such background checks.

The bill takes effect upon becoming a law.

The bill does not have a fiscal impact on OFR.

II. Present Situation:

Federal Regulation of Securities

Securities Act of 1933

Following the stock market crash of 1929, the Securities Act of 1933⁴ (Securities Act) was enacted to regulate the offers and sales of securities. The Securities Act requires every offer and sale of securities must be registered with the Securities and Exchange Commission (SEC), unless an exemption from registration is available.⁵ The Securities Act 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 Securities Act requires 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.⁶

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 public through a registered offering. After its IPO, the company will be a public company with ongoing public reporting requirements.⁷

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. Examples of exempt offerings⁸ include:

⁴ Public Law 73-22, as amended through P.L. 117-268, enacted December 23, 2022.

⁵ 15 U.S.C. s. 77a *et seq.*

⁶ *Id.*

⁷ 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 Dec. 9, 2024).

⁸ SEC, *The Laws That Govern the Securities Industry*, <https://www.sec.gov/about/about-securities-laws> (last visited Dec. 9, 2024). Security offerings of municipal, state, and the federal government are exempt from registration.

- Rule 506(b) Private Placement Offerings allow companies to raise unlimited capital from investors with whom the company has a relationship and who meet certain wealth thresholds or have certain professional credentials;⁹
- Rule 506(c) of Regulation D. General Solicitation Offerings allow companies to raise unlimited capital by broadly soliciting investors who meet certain wealth thresholds or have certain professional credentials;¹⁰
- Rule 504 of Regulation D, Limited Offerings allow companies to raise up to \$10 million in a 12-month period, in many cases from investors with whom the company has a relationship;¹¹
- Regulation Crowdfunding offerings allow eligible companies to raise up to five million dollars in investment capital in a 12-month period from investors via an online portal;¹²
- Intrastate offerings¹³ allow companies to raise capital within a single state according to state law. Many states limit the offering to between one million and five million dollars in a 12-month period; and¹⁴
- Regulation A offerings allow eligible companies to raise up to \$20 million in a 12-month period in a Tier I offering and up to \$75 million through a similar, but less extensive registered offering.¹⁵

Securities and Exchange Act of 1934

The Securities and Exchange Act of 1934 (Exchange Act) created the SEC as an independent agency to enforce federal securities laws.¹⁶ The SEC oversees federal securities laws¹⁷ broadly aimed at protecting investors; maintaining fair, orderly, and efficient markets; and facilitating capital formation.¹⁸ The SEC has regulatory authority over significant parts of the securities industry, including stock exchanges, mutual funds, investment advisers, brokerage firms, as well as securities self-regulatory organizations (SROs), such as the Financial Industry Regulatory Authority, Inc. (FINRA).¹⁹

Accredited Investors²⁰

Regulation D, adopted in 1982, provides several exemptions from the registration requirements of the Securities Act, thereby allowing certain issuers to offer and sell their securities without having to register the offering with the SEC. It was designed to facilitate capital formation by

⁹ 17 C.F.R. s. 230.506(b).

¹⁰ 17 C.F.R. s. 230.506(c).

¹¹ 17 C.F.R. s. 230.504.

¹² 17 C.F.R. s. 227.100.

¹³ Section (3)(a)(11) of the Securities Act of 1933, 17 C.F.R. s. 230.147 and 17 C.F.R. s. 230.147A.

¹⁴ SEC, 17 CFR Parts 227, 229, 230, 239, 249, 270 and 274; RIN-3235-AM27, Final rule: Facilitating Capital Formation and Expanding Investment Opportunities by Improving Access to Capital in Private Markets, <https://www.sec.gov/files/rules/final/2020/33-10884.pdf> (last visited Dec. 9, 2024).

¹⁵ 17 C.F.R. s. 230.251.

¹⁶ Public Law 73-291, as amended through P.L. 117-328, enacted December 29, 2022.

¹⁷ Section 15, Securities and Exchange Act of 1934.

¹⁸ Securities and Exchange Commission, Mission, <https://www.sec.gov/about/mission> (last visited Jan. 28, 2024).

¹⁹ National securities exchanges (e.g., the New York Stock Exchange) and clearing and settlement systems may register as SROs with the SEC or CFTC, making them subject to SEC or CFTC oversight. See <https://www.sec.gov/rules/sro> for a list of self-regulatory organizations (SROs) registered with the SEC (last visited Dec. 9, 2024).

²⁰ See Securities and Exchange Commission, Review of the Accredited Investor Definition under the Dodd-Frank Act (Dec. 14, 2023), <https://www.sec.gov/files/review-definition-accredited-investor-2023.pdf> (last visited Feb. 25, 2025).

simplifying and clarifying existing exemptions for private or limited offerings, expanding their availability, and providing more uniformity between federal and state exemptions. Regulation D is the most widely used set of exemptions for securities offerings by issuers.

Regulation D includes the definition of “accredited investor” in Rule 501(a).²¹ Individuals meeting certain criteria may qualify as an accredited investor. Institutions may qualify as accredited investors based on their status alone or on a combination of their status and the amount of their total assets or investments. Institutions that qualify based on status alone include banks, savings and loan associations, state-registered investment advisers, small business investment companies, investment companies registered under the Investment Company Act, business development companies,²² employment benefit plans²³ meeting certain conditions.

Institutions qualifying as accredited investors based on a combination of their status and the amount of their total assets or investments include:

- Plans established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000;
- Employee benefit plans (within the meaning of ERISA) with total assets in excess of \$5,000,000;
- Tax exempt charitable organizations, corporations, Massachusetts or similar business trusts, partnerships, or limited liability companies not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000⁵³ • Trusts with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, the purchases of which are directed by a person who meets the legal standard of having sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of the prospective investment under Rule 501(a)(7);
- Any entity, of a type not listed in Rules 501(a)(1), (2), (3), (7), or (8), not formed for the specific purpose of acquiring the securities offered, owning investments in excess of \$5,000,000 under Rule 501(a)(9); and
- Entities that are “family offices,” under Rule 501(a)(12), which cross references the definition in Rule 202(a)(11)(G)-1 of the Advisers Act, meeting the requirements of Rule 501(a)(12).

SEC Rule 506(d) Disqualification

On July 10, 2013, the SEC adopted the “bad actor” disqualification provisions for Rule 506 of Regulation D under the Securities Act, to implement s. 926 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.²⁴ As a result of Rule 506(d) bad actor disqualification, an offering is disqualified from relying on Rule 506(b) and 506(c) of Regulation D if the issuer or

²¹ 17 CFR s. 230.501(a), known as Rule 501 (a).

²² As defined in s. 2(a)(48) of the Investment Company Act.

²³ Within the meaning of the Employee Retirement Income Security Act of 1974 (ERISA).

²⁴ U.S. Securities and Exchange Commission, Disqualification of Felons and Other "Bad Actors" from Rule 506 Offerings and Related Disclosure Requirements (Sep. 19, 2013), [SEC.gov | Disqualification of Felons and Other "Bad Actors" from Rule 506 Offerings and Related Disclosure Requirements](https://www.sec.gov/disqualification-of-felons-and-other-bad-actors-from-rule-506-offerings-and-related-disclosure-requirements) (last visited Dec. 9, 2024).

any other person covered²⁵ by Rule 506(d) has a relevant criminal conviction, regulatory or court order or other disqualifying event that occurred on or after September 23, 2013, the effective date of the rule amendment.

Private Resales of Securities to Institutional Investors

Corporations often issue unregistered bonds in private placements pursuant to Rule 144A²⁶ of the Securities Act. In 1990, the SEC approved Rule 144A of the Securities Act. The intent of the rule was to facilitate “a more liquid and efficient institutional resale market for unregistered securities.” Institutional investors are considered sophisticated investors, thereby understanding the complexities and risks inherent in private placement securities.

Rule 144A is a non-exclusive safe harbor exemption from the registration requirements of the Securities Act for resales of certain securities to qualified institutional buyers (QIBs).²⁷ A QIB includes certain entities that, in the aggregate, own and invest on a discretionary basis at least \$100 million in securities of unaffiliated issuers.²⁸ A registered broker-dealer qualifies as a QIB if it owns and invests on a discretionary basis at least \$10 million in securities of unaffiliated issuers.²⁹

Integration of Offerings³⁰

SEC Rule 152 provides a framework for determining whether multiple securities transactions should be considered part of the same offering and contains four non-exclusive safe harbors from integration. Offerings may not be integrated if, based on particular facts and circumstances, the issuer can establish either that each offering complies with the registration requirements of ch. 517, F.S., or that an exemption from registration is available for the particular offering, provided that any transaction or series of transactions that, although in technical compliance with ch. 517, F.S., is part of a plan or scheme to evade the registration requirements of ch. 517, F.S., will not have the effect of avoiding integration.

SEC Rule 152 significantly reduces the risk to companies, especially smaller ones that have continuing and sporadic needs for capital, that multiple offerings will be integrated as one, with the result that otherwise distinct valid exempt offerings will be deemed in violation of the registration provisions.

²⁵ “Covered persons” include the issuer, including affiliated issuers; directors, general partners, and managing members of the issuer; executive officers of the issuer, and other officers of the issuers that participate in the offering; 20 percent beneficial owners of the issuer, calculated on the basis of total voting power; promoters connected to the issuer; for pooled investment fund issuers, the fund’s investment manager and its principals; and persons compensated for soliciting investors, including their directors, general partners and managing members.

²⁶ 17 C.F.R. s. 230.144A.

²⁷ Bloomberg Law, Capital Markets, Overview-Rule 144A Debt Offering (Pre-Transaction Considerations) <https://www.bloomberglaw.com/external/document/XCUO8474000000/capital-markets-overview-rule-144a-debt-offering-pre-transaction> (last visited Feb. 10, 2025).

²⁸ See 17 C.F.R. s. 230.144A(a)(1)(i) for a listing of QIBs.

²⁹ Securities and Exchange Commission, <https://www.sec.gov/resources-small-businesses/small-business-compliance-guides/eliminating-prohibition-against-general-solicitation-general-advertising-rule-506-rule-144a> (last visited Feb. 25, 2025).

³⁰ 17 C.F.R. s. 230.172.

Florida Regulation of Securities

The federal securities acts expressly allow for concurrent state regulation under blue sky laws,³¹ 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.³²

The Office of Financial Regulation (OFR) is responsible for administering the provisions of ch. 517, F.S. The OFR, along with the Office of Insurance Regulation, are units under the Financial Services Commission (commission). The commission is composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture.³³ The commission members serve as agency head of OFR and OIR for purposes of rulemaking.³⁴ The commissioners of OFR and OIR are appointed by the commission.

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.³⁵ The Division of Securities (division) within the OFR is responsible for administering the Securities and Investor Protection Act (Act). The Act prohibits dealers, associated persons, and issuers from offering or selling securities in this state unless registered with the OFR or specifically exempted.³⁶ 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). As of December 30, 2024, the division had total registrants in the following categories:

- Dealers: 2,367
- Investment Advisers: 8,559
- Branches: 11,728; and
- Associated Persons: 380,993³⁷

Licensure Requirements

Pursuant to s. 517.12, F.S., dealers, associated persons, intermediaries, and investment advisers must submit an application with the OFR for registration to sell, offer for sale, or to facilitate the offer or sale of securities. Each applicant and any direct owners, principals, or indirect owners that are required to be reported on Form BD, Form ADV, or on a form adopted by commission rule are required to electronically submit fingerprints to the Florida Department of Law Enforcement (FDLE) for a state and national criminal history record check (i.e., Level 2

³¹ 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 Dec. 9, 2024).

³² SEC, *Blue Sky Laws*, <http://www.sec.gov/answers/bluesky.htm> (last visited Dec. 9, 2024).

³³ Section 20.121(3), F.S.

³⁴ Section 20.121(3)(a), F.S.

³⁵ Pursuant to s. 20.121(3), F.S. The jurisdiction of the OFR also includes state-chartered financial institutions and finance companies, and other specified entities.

³⁶ Section 517.12, F.S.

³⁷ OFR, Senate Bill Analysis of SB 988 (Feb. 25, 2025).

background check). The OFR reviews the results of the Level 2 background checks to determine whether applicants meet licensure requirements. The Federal Bureau of Investigation (FBI) had previously approved the aforementioned list of applicants for fingerprint-based, state and national criminal history record checks, pursuant to s. 517.12, F.S. In 2024, legislation was enacted that revised provisions and definitions relating to these terms.³⁸ During the 2024 Legislative Session, FDLE provided detailed comments and suggestions regarding the fingerprint provisions in ch. 517, F.S.³⁹ Specifically, FDLE recommended that OFR should clarify the population subject to the criminal background checks to ensure compliance with the criteria established in Public Law 92-544.

Since 1972, the FBI, with the assistance of the United States Department of Justice, has determined the parameters of Pub. L. 92-544. The criteria are as follows:

- The statute must exist as a result of a legislative enactment;
- It must require the fingerprinting of applicants who are subject to a national criminal history background check;
- It must, expressly (“submit to the FBI”) or by implication (“submit for a national check”), authorize the use of FBI records for the screening of applicants;
- It must identify the specific category(ies) of licensees/employees falling within its purview, thereby avoiding overbreadth;
- It must not be against public policy; and
- It may not authorize receipt of the criminal history record information (CHRI) by a private entity.⁴⁰

Additionally, FBI policy requires that fingerprints be initially submitted to the state identification bureau (for a check of state records) and thereafter forwarded to the FBI for a “national” criminal history check.⁴¹ State agencies wishing to submit statutes for review must work through their State Identification Bureau (FDLE) or appointed CJIS systems officer.⁴²

Exempt Private Placements and SEC Rule 506(d)

As part of the 2024 legislation, s. 517.0616, F.S., was created, which provides that a registration exemption for private placement offerings of securities, pursuant to s. 517.061(9), (10), and (11), s. 517.0611, or s. 517.0612, F.S., is not available to an *issuer* that would be disqualified under SEC Rule 506(d) at the time the issuer makes an offer for the sale of a security. Rule 506(d) provides that an offering is disqualified from relying on the exemption if the *issuer or any other person covered* by Rule 506(d) has a relevant criminal conviction, regulatory or court order or other disqualifying event.

Members of the financial services industry expressed concerns regarding this disqualification provision in connection with transactions conducted with institutional investors in Florida, including offerings made pursuant to Rule 144A under the Securities Act. At the federal level,

³⁸ Chapter 2024-168, Laws of Fla.

³⁹ FDLE 2024 Legislative Bill Analysis of SB 532 (Jan. 22, 2024).

⁴⁰ Federal Bureau of Investigation [Public Law 92-544 — FBI](#) (last visited Jan. 12, 2025).

⁴¹ *Id.*

⁴² *Id.*

the SEC has not applied any of the disqualification provisions for the safe harbors under Regulation D to these s. 4(a)(2) private placements. Pursuant to s. 517.0616, F.S., the disqualification provisions apply to issuers and covered persons for the following registration exemptions:

- Section 517.061(9), F.S., Institutional Investor Exemption. Exempts the offer or sale of private placement offerings securities to a financial institution, insurer, dealer, investment company, pension or profit-sharing trust, or qualified institutional buyer.
- Section 517.061(10), F.S., Private Limited Offering Exemption. Exempts from registration the offer or sale of securities by or on behalf of an issuer, of its own securities, if the offer or sale is a part of an offering that meets certain conditions, including there are no more than 35 non-accredited purchasers in Florida.
- Section 517.061(11), F.S., Accredited Investor Exemption. Exempts from registration the offer or sale of securities of an issuer in a transaction that meets certain conditions, including the offer or sale of securities made to accredited investors in Florida, and meets other conditions.
- Section 517.0611, F.S., Florida Limited Offering Exemption. Exempts from registration the offer or sale of securities that meet the requirements of the federal exemption for intrastate offerings authorized in Section 3(a)(11) of the Securities Act of 1933, SEC Rule 147, or SEC Rule 147A.
- Section 517.0612, F.S., Florida Invest Local Exemption. Exempts from registration the offer or sale of securities in the amount of \$500,000 or less that meet the requirements of the federal exemption for intrastate offerings authorized in s. 3(a)(11) of the Securities Act of 1933, SEC Rule 147, or SEC Rule 147A.

Due to the potential negative impact on Florida's financial markets associated with the implementation of s. 517.0616, F.S., as applied to transactions described in s. 517.061(9), F.S., effective October 1, 2024, OFR issued a proclamation on October 27, 2024, suspending the disqualification provisions of s. 517.0616, F.S., as applied to transactions described in s. 517.061(9), F.S., relating to the institutional investor exemption (*e.g.*, sales to banks, trusts, and institutional investors). The proclamation states the application of this provision "could negatively affect financial markets that are vital to ensuring the availability of financial resources..."⁴³ The suspension of this provision remains effective until the expiration or rescission of Executive Orders 24-208 and 24-214, as amended, or further order, whichever is earlier.

Subsequently, the Governor issued Executive Order 25-10 on January 17, 2025, which extended the state of emergency and all provisions of Executive Order 24-208 for 60 days. Further, the Governor issued Executive Order 25-26 on January 31, 2025, which extended the state of emergency and all provisions of Executive Order 24-214 for 60 days.

Securities Guaranty Fund⁴⁴

The Securities Guaranty Fund (fund) was created to provide relief to victims of securities violations under ch. 517, F.S., who are entitled to monetary damages or restitution but cannot

⁴³ Office of Financial Regulation, Proclamation by Commissioner Russell C. Weigel, III (Securities Industry) OFR 2024-654 (PROC) (Oct. 27, 2024).

⁴⁴ Section 517.131, F.S.

recover the full amount of such damages or restitution from the wrongdoer. A person seeking to recover from the fund must meet certain conditions to be eligible for payment from the fund, including the following:

- Holds an unsatisfied final judgment entered on or after October 1, 2024, in which a wrongdoer was found to have violated ss. 517.07, F.S., or 517.301, F.S.;
- Has applied any amounts recovered from the judgment debtor or from any other source to the damages awarded by the court or arbitrator; and
- Is a natural person who was a resident of this state, or is a business entity that was domiciled in this state, at the time of the violation giving rise to the claim; or
- Is a receiver appointed pursuant to s. 517.191(2), F.S., by a court of competent jurisdiction for a wrongdoer order to pay restitution under s. 517.191, F.S., because of a violation of s. 517.07, F.S., or s. 517.301, F.S.

Florida's Law on the Protection of Vulnerable Investors⁴⁵

In 2020, legislation was enacted in Florida to protect vulnerable investors.⁴⁶ The law allows a dealer or investment adviser to delay a disbursement or transaction of funds or securities from the account of a specified adult or an account for which a specified adult is a beneficiary or beneficial owner if the dealer or investment adviser reasonably believes that financial exploitation of the specified adult has occurred, is occurring, has been attempted, or will be attempted in connection with the disbursement or transaction. A specified adult is an individual who is age 65 or older or who meets the definition of “vulnerable adult” under the act.

The suspected financial exploitation must be immediately reported to the Florida Abuse Hotline if required by the act. Not later than three business days after placing a delay, the dealer or investment adviser must notify all parties authorized to transact business on the account, as well as any designated trusted contact unless such person is believed to be engaged in the suspected financial exploitation. Not later than three business days after placing or extending a delay, the dealer or investment adviser must notify the OFR of the delay or extension.

A delay expires 15 business days but may be terminated sooner. The dealer or investment adviser may extend the delay up to an additional 10 business days. The length of the hold may be shortened or extended by a court of competent jurisdiction. A dealer or investment adviser must annually conduct training that is reasonably designed to educate its associated persons on issues pertaining to financial exploitation. A dealer, an investment adviser, or an associated person who, in good faith and exercising reasonable care, complies with s. 517.34, F.S., is immune from any administrative or civil liability that might otherwise arise from a delay in a disbursement or transaction.

⁴⁵ Section 517.34, F.S.

⁴⁶ Ch. 2020-157, Laws of Fla.

Exempt Transactions Relating to Foreign Securities Markets and Foreign Securities Exchanges

Section 517.061(20), F.S., provides that the registration provisions of s. 517.07, F.S., do not apply to a nonissuer transaction in an outstanding security by or through a dealer registered or exempt from registration under ch. 517, F.S., if the two following conditions are met:

- The issuer is a reporting issuer in a foreign jurisdiction designated by this subsection or by commission rule, and the issuer has been subject to continuous reporting requirements in such foreign jurisdiction for not less than 180 days before the transaction.
- The security is listed on the securities exchange designated by this subsection or by commission rule, is a security of the same issuer which is of senior or substantially equal rank to the listed security, or is a warrant or right to purchase or subscribe to any such security.

Exempt transactions conducted pursuant to this subsection are subject to the antifraud provisions of s. 517.301, F.S.

Further, subsection (20) designates Canada, together with its provinces and territories, is designated as a foreign jurisdiction, and Toronto Stock Exchange, Inc., as a securities exchange. If, after an administrative hearing in compliance with ss. 120.569 and 120.57, F.S., OFR finds that revocation is necessary or appropriate in furtherance of the public interest and for the protection of investors, it may revoke the designation of a securities exchange under this subsection.

Model Rule Exempting Certain Merger and Acquisition Brokers from Registration

Merger and acquisition (M&A) brokers may introduce buyers and sellers, help value the business, recommend terms and structure of the sale, and assist with negotiations in the closing sales of privately held businesses. Smaller transactions may involve the sale of the assets of the business in exchange for cash. However, the ownership of a business may be transferred by means of the purchase, sale, exchange, issuance, merger, repurchase, or redemption of, or other business combinations involving securities. If a transaction involves securities, then state and federal securities laws may apply to the parties and the transactions.

The North American Securities Administrators Association (NASAA) is a voluntary association of securities regulators in the 50 states, the District of Columbia, Puerto Rico, Guam, the U.S. Virgin Islands, the 13 provincial and territorial securities regulators in Canada, and the securities regulator in México.⁴⁷ In November 2015, NASAA adopted the Model Rule Exempting Certain Merger and Acquisition Brokers from Registration, which provides a uniform approach to state-level securities regulation and provides an exemption for M&A brokers if certain conditions are met.⁴⁸

⁴⁷ The North American Securities Administrators Association [About - NASAA](#) (last visited December 9, 2024).

⁴⁸ North American Securities Administrators Association, Model Rule Exempting Certain Merger and Acquisition Brokers From Registration, (Adopted Sep. 29, 2015; amended May 6, 2024), [Model-Rule-Exempting-Certain-Merger-and-Acquisition-Brokers-From-Registration- 5-6-2024.pdf](#) (last visited Feb. 28, 2025).

In 2016, the Florida Legislature enacted legislation consistent with the model rule.⁴⁹ The law creates an exemption from registration with the OFR for a merger and acquisition (M&A) broker facilitating the offer or sale of securities in connection with the transfer of ownership of an eligible privately held company. To be an “eligible privately held company,” (1) the acquired company must not have any class of securities registered with the SEC pursuant to Section 12 of the Exchange Act of 1934; or be subject to the reporting obligations of Section 15(d) of the Exchange Act of 1934 or with OFR under s. 517.07, F.S.; and (2) in the fiscal year prior to the engagement of the M&A broker, the company must have earnings before income tax depreciation and amortization of less than \$25 million, or gross revenues of less than \$250 million.⁵⁰

In 2024, NASAA amended the model rule to align it with recently enacted amendments to subsection 15(b)(13) of the Securities Exchange Act of 1934, which exempts certain merger and acquisition brokers from dealer registration.⁵¹ Although the M&A brokers are exempt from registration, they remain subject to antifraud provisions and enforcement.

III. Effect of Proposed Changes:

Section 1 amends s. 517.021, F.S., to create and revise definitions of terms used in ch. 517, F.S. The following new terms are defined to clarify which applicants and persons associated with a license application under s. 517.12, F.S., (e.g., dealer, associated person, intermediary, and investment adviser) are subject to the national criminal background checks:

- Branch manager,
 - Corporation,
 - Director,
 - General partner,
 - Limited liability company,
 - Limited liability company manager,
 - Partnership,
 - Shareholder, and
- Trust.

Subsection (18) revises the definition of the term, “intermediary,” to mean a person who facilitates through its website the offer or sale of securities of an issuer with a principal place of business in Florida. The terms “corporation,” “trust,” “partnership,” “association,” and “other legal entity” previously flagged by the FBI as overly broad are removed from the definition. An intermediary is no longer required, as a natural person to reside in Florida or if an intermediary is a specified entity, it is no longer required to register with the Secretary of State to do business in Florida.

⁴⁹ Ch. 2016-111, Laws of Fla.

⁵⁰ Section 517.12(21), F.S.

⁵¹ HR 2617, Consolidated Appropriations Act of 2023 (Public Law 117-328). For the statutory exemption to be available, in the fiscal year ending immediately before the fiscal year in which the services of the M&A broker are initially engaged with respect to the M&A transaction, the privately held company must either have earnings before interest, taxes, depreciation, and amortization (EBITDA) of less than \$25 million or gross revenues of less than \$250 million. *See* Exchange Act s. 15(b)(13)(E)(iii)(II). Congress authorized the SEC to adjust these dollar thresholds for inflation every five years.

The section provides a technical conforming cross-reference within the definition of the term, “federal covered adviser.”

Section 2 amends s. 517.061, F.S., to apply the self-executing registration exemption to the offer or sale of securities to the following categories of institutional investors under subsection (9):

- A savings and loan association, building and loan association, cooperative bank, or credit union, which is supervised and examined by a state or federal authority having supervision over any such institution.
- A federal covered adviser, investment adviser registered pursuant to the laws of a state, exempt reporting adviser or private fund adviser as those terms are defined in s. 517.12(23)(a)2. and 3., respectively, investment adviser relying on the exemption from registering with the SEC under s. 203(l) or (m) of the Investment Advisers Act of 1940, as amended, business development company as defined in s. 2(a)(48) of the Investment Company Act of 1940, as amended, or business development company as defined in s. 202(a)(22) of the Investment Advisers Act of 1940, as amended.
- A small business investment company licensed by the Small Business Administration under s. 301(c) of the Small Business Investment Act of 1958, as amended, or rural business investment company as defined in s. 384A of the Consolidated Farm and Rural Development Act.
- A plan established and maintained by a state, a political subdivision thereof, or any agency or instrumentality of a state or a political subdivision, for the benefit of its employees, if such plan has total assets in excess of \$5 million, an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as described in s. 3(21) of such act, which is a bank, savings and loan association, insurance company, or federal covered adviser, or if the employee benefit plan has total assets in excess of \$5 million or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors.
- An organization described in s. 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts trust or similar business trust, partnership, or limited liability company, not formed for the specific purpose of acquiring the securities offered, with total assets of more than \$5 million.
- A trust, with total assets of more than \$5 million, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in SEC Rule 506(b)(2)(ii), 17 C.F.R. s. 230.506(b)(2)(ii), as amended.
- An entity, of a type not listed in other paragraphs (a)-(g) or paragraph (j) which owns investments as defined in SEC Rule 2a51-1(b), 17 C.F.R. s. 270.2a51-1(b), as amended, of more than \$5 million and is not formed for the specific purpose of acquiring the securities offered.
- A family office as defined in SEC Rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940, 17 C.F.R. 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 such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment.

- (j) An entity in which all the equity owners are described in s. 517.061(9)(a) – (i), F.S.

The registration exemption in subsection (11) is revised to require an issuer claiming this exemption to file a notice of transaction on a form prescribed by commission rule, an irrevocable written consent to service of civil process in accordance with s. 517.101, F.S.

Subsections (18) and (19) are amended to provide technical changes.

Subsection (20), relating to the registration exemption for nonissuer transactions by a dealer, is amended to clarify that the conditions for the exemption must be met at the time of the transaction. The bill repeals the requirement that foreign jurisdictions be designated by this subsection or by rules prescribed by the Financial Services Commission (commission). The bill requires the commission to consider the following factors when designating a foreign securities exchange or foreign securities market by rule:

- Organization under foreign law.
- Association of dealers, financial institutions, or other professional intermediaries with an established operating history.
- Oversight by a governmental or self-regulatory body.
- Oversight standards set by general law.
- Reporting of securities transactions on a regular basis to a governmental or self-regulatory body.
- A system for exchange of price quotations through common communications media.
- An organized clearance and settlement system.
- Listing in SEC Regulation S Rule 902 (17 C.F.R. s. 230.902).

The section is also amended to remove the designation of Canada, together with its provinces and territories, as a foreign jurisdiction and to remove the designation of the Toronto Stock Exchange, Inc. as a designated securities exchange.

Section 3 amends s. 517.0612, F.S., the Florida Invest Local Exemption, which is a micro-offering that is limited to \$500,000, to require the issuer to file a notice of transaction on a form prescribed by commission rule and an irrevocable written consent to service of civil process in accordance s. 517.101, F.S. The registration provisions of s. 517.07, F.S., do not apply to a securities transaction conducted in accordance with this section. However, such transactions are subject to the anti-fraud provisions of s. 517.301, F.S.

Section 4 amends s. 517.0614, F.S., relating to integration of offerings. Subsection (2) is amended to provide that s. 517.061(9), F.S., relating to exempt transactions of institutional investors, is not subject to integration with other offerings.

Section 5 amends s. 517.0616, F.S., to limit the application of SEC Rule 506(d) to registration exemptions under s. 517.061(11), 517.0611, or 517.0612, F.S. A registration exemption is not available to an issuer if, at the time the issuer makes an offer for the sale of a security, the issuer or other specified covered persons, below, would be disqualified under SEC Rule 506(d):

- A predecessor of the issuer;
- An affiliated issuer;

- A director, executive officer, or other officer of the issuer participating in the offering;
- A general partner or managing member of the issuer;
- A beneficial owner of 20 percent or more of the issuer's outstanding voting equity securities, calculated on the basis of voting power; or
- A promoter connected with the issuer in any capacity at the time of the sale.

Subsection (2) is created to clarify that the disqualification under SEC Rule 506(d) does not apply to any other person or entity listed in such rule.

SEC Rule 506(d) provides that an offering is disqualified from relying on a specified exemption if the issuer or any other person covered by the rule has a relevant criminal conviction, regulatory or court order or other disqualifying event. The applicability of SEC Rule 506(d) to offerings under subsections (9) and (10) of s. 517.061, F.S., are removed from this section due to concerns that the inclusion of s. 517.061(9), F.S., would prohibit certain transactions with institutional investors in Florida, including offerings made pursuant to SEC Rule 144A under the Securities Act and private placements under section 4(a)(2) of the Securities Act. At the federal level, the SEC has not applied any of the disqualification provisions for the safe harbors under Regulation D to these s. 4(a)(2) private placements.

Section 6 amends s. 517.075, F.S., to provide a technical amendment.

Section 7 amends s. 517.081, F.S., relating to registration procedures, to revise the criteria OFR uses to determine whether OFR will record the registration of a security of an applicant. Subsection (9) eliminates the merit review standard that requires OFR to find that an "enterprise or business of the issuer is not based upon unsound business principles." However, the "fair, just, and equitable" standard still applies, as provided in subsection (9)(a)4., of this section.

Under current law, OFR must record the registration of a security in the register if, upon examination of an application, it finds that all of the following requirements are met:

- The application is complete.
- The fee imposed pursuant to s. 517.081(8), F.S., has been paid.
- The sale of the security would not be fraudulent and would not work or tend to work a fraud upon the purchaser.
- The terms of the sale of such securities would be fair, just, and equitable.
- The enterprise or business of the issuer is not based upon unsound business principles.

Section 8 amends s. 517.12, F.S., relating to registration of dealers, associated persons, intermediaries, and investment advisers. Multiple subsections are revised to address concerns of the Federal Bureau of Investigations that the current terms and categories of persons used within the definitions of these terms do not clearly identify who, for purposes of registration, are subject to a national fingerprint-based criminal history background check, thereby not complying with federal law Pub. L. 92-544.

According to OFR, the amended portions of s. 517.12, F.S., are derived from the Securities and Exchange Commission's Uniform Application for Investment Adviser Registration (Form ADV) and the Uniform application for Broker-Dealer Registration (Form BD), which are uniform

application forms used nationally for the registration of dealers and investment advisers. The persons that are required to submit fingerprints are those natural persons listed on Schedules A and B of the forms.⁵²

In subsection (7), the definition of the term, “dealer,” is amended to clarify that only certain natural persons affiliated with an entity that has elected to file an application with OFR for registration in Florida to engage in activities requiring registration as a “dealer” are subject to fingerprinting. The definition of the term, “associated person,” is amended to provide that only a natural person who has elected to file an application with the OFR for registration in Florida to engage in activities requiring registration as an “associated person” is subject to fingerprinting.⁵³

The definition of the term, “investment adviser,” is clarified to provide that only certain natural persons affiliated with an entity that has elected to file an application with OFR for registration in Florida to engage in activities requiring registration as a “investment adviser” be fingerprinted.

Subsection (20) of 517.12, F.S., provides that only certain natural persons affiliated with an entity that has elected to file an application with OFR for registration as an intermediary be fingerprinted.

The term, “direct owner,” is defined for purposes of specifying the population of persons who are subject to fingerprinting.

Subsection (22) is amended to update the provisions relating to the NASAA Model Rule Exempting Certain Merger and Acquisition Brokers from Registration. The definition of the term, “business combination related shell company,” is created. The definition of the term, “control person,” is revised to provide that a person is presumed to be the control person of a company if, *at completion of a transaction, the buyer or group of buyers* meets two, rather than three, statutory conditions:

- Has the power to vote 25 percent or more of a class of voting securities or has the power to sell or direct the sale of 25 percent or more of a class of voting securities; and
- May receive upon dissolution, or has contributed, 25 percent of the capital of a partnership or limited liability company.

The subsection increases the percentage of voting stock and capital contributions from 20 to 25 percent, as described above. The subsection removes one of the current conditions relating to control person, that it is a person who “is a director, a general partner, a member or a manager of a limited liability company or is an officer who exercises executive responsibility or has a similar status or function.”

Section 9 amends s. 517.131, F.S., relating to the Securities Guaranty Fund (fund). The term, “restitution order,” is defined in subsection (1) to mean a court order awarding a specified

⁵² Office of Financial Regulation, 2025 Legislative Analysis of SB 988 (Feb. 25, 2025).

⁵³ See Section 1 of SB 988, amending s. 517.021, F.S., defines the term, “branch manager,” to clarify the definition of associated person, Section 1 further clarifies the definition of associated person by defining the terms, “general partner,” “limited partner,” and “partnership.”

monetary amount to a named aggrieved person for a violation of s. 517.07, F.S., or s. 517.301, F.S., to be paid by a named violator.

Subsection (2) is amended to update cross references.

Subsection (3) is amended to clarify the conditions a person must meet to be eligible for payment from the fund. Restitution orders are added to the first two conditions for eligibility. As amended, a person is eligible for payment from the fund if the person:

- Is a judgment creditor in an unsatisfied final judgment or a named beneficiary or victim in an unsatisfied restitution order entered on or after October 1, 2024, in which a wrongdoer was found to have violated s. 517.07 or s. 517.301;
- Has applied any amount recovered from the judgment debtor, a person ordered to pay restitution, or any other source to the damages awarded in a final judgment or restitution order; are a named beneficiary or victim in an unsatisfied restitution order.

Subsection (5) is amended to revise and clarify the minimum information that is required to be provided on an application for payment from the fund and to include restitution orders.

Section 10 amends s. 517.301, F.S., relating to fraudulent transactions and falsification or concealment of facts to replace the term, “business entity,” with “person.”

Section 11 amends s. 517.34, F.S., to extend the number of additional days a dealer or investment adviser may delay a disbursement or transaction from 10 to 30 days to conduct a review if the dealer or investment adviser believes that financial exploitation of the specified adult has occurred. This change would make the provision relating to securities dealers and investment advisers consistent with the provision applicable to financial institutions.

Sections 12 and 13 amend ss. 517.211 and 517.517.315, F.S., respectively, to provide technical, conforming amendments.

Section 14 provides the bill takes effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The elimination of the Rule 506d disqualification provision, as it relates to s. 517.061(9) and (10), F.S., exempting security transactions in connection with institutional investors offerings, pursuant to Rule 144A and private placements under section 4(a)(2) of the Securities Act, respectively, will provide greater clarity and certainty regarding the applicability of the disqualifications provisions. Currently, the application of the disqualification provisions relating to subsection (9) has been suspended by proclamations issued by the Office of Financial Regulation since October 27, 2024, and has been extended since then by Executive Order of the Governor.

According to the Florida Department of Law Enforcement (FDLE), the total fiscal impact to the private sector for a state and national criminal history check is \$36. Of this total amount, the cost for the national portion of the criminal history record check is \$12 and the cost for the state portion is \$24, which is deposited into FDLE's Operating Trust Fund.

Livescan service providers may assess additional processing fees, in addition to the cost of the criminal history record check fee imposed by FDLE and the FBI. The number of additional individuals who would be screened under SB 988 is unknown.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

According to the Florida Department of Law Enforcement (FDLE),⁵⁴ the FBI's Criminal Justice Information Law Unit (CJILU) must review the bill due to the legislative changes made to ss.

⁵⁴ Florida Department of Law Enforcement, Analysis of SB 988 (Mar. 3, 2025).

517.021 and 517.12, F.S. to ensure compliance with Public Law 92-544. FDLE recommends that the OFR continues to work on amending certain language within the applicable sections of ch. 517, F.S., in accordance with the FBI's CJILU guidelines. It should be noted that continued access to national criminal history record information is reliant upon the FBI's approval of the 2025 legislative changes.

VIII. Statutes Affected:

This bill amends sections 517.021, 517.061, 517.0612, 517.0614, 517.0616, 517.075, 517.081, 517.12, 517.131, 517.301, 517.211, 517.315, 517.034 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

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

CS by Banking and Insurance on March 10, 2025:

The CS:

- Defines additional terms and revises existing terms (general partner, limited partner, partnership, and shareholder) to clarify what persons are subject to fingerprinting pursuant to the registration application process, as provided in s. 517.12.
- Clarifies factors the Financial Services Commission may use for purposes of designating a foreign securities exchange or foreign securities market.
- Clarifies provisions specifying what persons must submit fingerprints as part of the registration application process. (associated person, dealer, intermediary, investment adviser). Clarifies categories of persons affiliated with a registration application must submit fingerprints.
- Provides factors that the commission may use in rulemaking to provide specific standards in determining what persons the commission may waive from the fingerprinting requirements associated with registration applications.
- Clarifies factors the commission may use in revising revenue and earnings caps for purposes of determining eligible privately held companies.
- Clarifies the factors that the OFR may use to determine if a person who acquires securities or assets of the eligible privately held company is deemed active in the management of the company.
- Revises a provision, relating to the protection of specified adults who may be victims of financial exploitation, to extend the number of additional days a dealer or investment adviser may delay a disbursement or transaction from 10 to 30 days to conduct a review if the dealer or investment adviser believes that financial exploitation of the specified adult has occurred. This change would make the provision relating to securities dealers and investment advisers consistent with the provisions applicable to financial institutions.

B. Amendments:

None.

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



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/12/2025	.	
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	.	
	.	

The Committee on Banking and Insurance (Truenow) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Present subsections (6) through (9), (10), (11), (12), (13) through (17), (18), (19), (20) through (25), (26), and (27) of section 517.021, Florida Statutes, are redesignated as subsections (7) through (10), (12), (14), (15), (17) through (21), (25), (26), (28) through (33), (36), and (37), respectively, new subsections (6), (11), (13), (16), (22), (23),



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(24), (27), (34), and (35) are added to that section, and present subsections (11) and (15) of that section are amended, to read:

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

(6) "Branch manager" means a natural person who administers or supervises the affairs or operations of a branch office.

(11) "Corporation" has the same meaning as "corporation," "domestic corporation," or "foreign corporation" in s. 607.01401.

(13) "Director" means a person appointed or elected to sit on a board that manages the affairs of a corporation or other organization by electing or exercising control over its officers.

(14)~~(11)~~ "Federal covered adviser" means a person that is registered or required to be registered under s. 203 of the Investment Advisers Act of 1940, as amended. The term does not include any person that is excluded from the definition of investment adviser under subparagraphs (20) (b) 1.-7. ~~(16) (b) 1.-7.~~ and 9.

(16) "General partner" has the same meaning as in s. 620.1102 and includes a co-owner or manager of a partnership who has unlimited liability for the partnership's debts.

(19)~~(15)~~ "Intermediary" means a ~~natural~~ person that ~~residing in this state or a corporation, trust, partnership, limited liability company, association, or other legal entity registered with the Secretary of State to do business in this state, which~~ facilitates through its website the offer or sale



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of securities of an issuer with a principal place of business in this state.

(22) "Limited liability company" has the same meaning as in s. 605.0102, including a "foreign limited liability company," as that term is defined in that section.

(23) "Limited liability company manager" or "limited liability managing member" means a person who is responsible alone, or in concert with others, for performing the management functions of a limited liability company.

(24) "Limited partner" has the same meaning as in s. 620.1102 and includes a co-owner of a partnership who has limited liability for the partnership's debts.

(27) "Partnership" means two or more persons who are the co-owners of a business, including those operating as a "foreign limited liability limited partnership," a "foreign limited partnership," a "limited liability limited partnership," or a "limited partnership" as those terms are defined in s. 620.1102.

(34) "Shareholder" means a person who owns at least one share of a corporation and whose ownership is reflected in the records of the corporation.

(35) "Trust" has the same meaning as in s. 731.201.

Section 2. Subsections (7) and (9), paragraph (f) of subsection (11), and subsections (18), (19), and (20) of section 517.061, Florida Statutes, are 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



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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:

(7) The offer or sale of securities, solely in connection with the transfer of ownership of an eligible privately held company, through a merger and acquisition broker in accordance with s. 517.12(22) ~~s. 517.12(21)~~.

(9) The offer or sale of securities to:

(a) A bank, trust company, savings institution, insurance company, dealer, investment company as defined in the Investment Company Act of 1940, 15 U.S.C. s. 80a-3, as amended, pension or profit-sharing trust, or qualified institutional buyer, whether any of such entities is acting in its individual or fiduciary capacity.

(b) A savings and loan association, building and loan association, cooperative bank, or credit union, which is supervised and examined by a state or federal authority having supervision over any such institution.

(c) A federal covered adviser, investment adviser registered pursuant to the laws of a state, exempt reporting adviser or private fund adviser as those terms are defined in s. 517.12(23)(a)2. and 3., respectively, investment adviser relying on the exemption from registering with the Securities and Exchange Commission under s. 203(1) or (m) of the Investment Advisers Act of 1940, as amended, business development company as defined in s. 2(a)(48) of the Investment Company Act of 1940, as amended, or business development company as defined in s. 202(a)(22) of the Investment Advisers Act of 1940, as amended.



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(d) A small business investment company licensed by the Small Business Administration under s. 301(c) of the Small Business Investment Act of 1958, as amended, or rural business investment company as defined in s. 384A of the Consolidated Farm and Rural Development Act.

(e) A plan established and maintained by a state, a political subdivision thereof, or any agency or instrumentality of a state or a political subdivision, for the benefit of its employees, if such plan has total assets in excess of \$5 million, an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as described in s. 3(21) of such act, which is a bank, savings and loan association, insurance company, or federal covered adviser, or if the employee benefit plan has total assets in excess of \$5 million or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors.

(f) An organization described in s. 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts trust or similar business trust, partnership, or limited liability company, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5 million.

(g) A trust, with total assets in excess of \$5 million, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Securities and Exchange Commission Rule 506(b)(2)(ii), 17 C.F.R. s. 230.506(b)(2)(ii), as amended.

(h) An entity of a type not listed in paragraphs (a)-(g) or paragraph (j) which owns investments as defined in Securities



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and Exchange Commission Rule 2a51-1(b), 17 C.F.R. s. 270.2a51-1(b), as amended, in excess of \$5 million and is not formed for the specific purpose of acquiring the securities offered.

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

(j) An entity in which all of the equity owners are described in paragraphs (a)-(i).

(11) Offers or sales of securities by an issuer in a transaction that meets all of the following conditions:

(f) The issuer files with the office a notice of transaction on a form prescribed by commission rule, an irrevocable written, a consent to service of civil process in accordance with s. 517.101, and a copy of the general announcement within 15 days after the first sale is made in this state. The commission may adopt by rule procedures for filing documents by electronic means.

(18) Any nonissuer transaction by a registered dealer, and any resale transaction by a sponsor of a unit investment trust



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registered under the Investment Company Act of 1940, as amended, in a security of a class that has been outstanding in the hands of the public for at least 90 days; provided that, at the time of the transaction, the following conditions in paragraphs (a), (b), and (c) and either paragraph (d) or paragraph (e) are met:

(a) The issuer of the security is actually engaged in business and is not in the organizational stage or in bankruptcy or receivership and is not a blank check, blind pool, or shell company whose primary plan of business is to engage in a merger or combination of the business with, or an acquisition of, an unidentified person.

(b) The security is sold at a price reasonably related to the current market price of the security.

(c) The security does not constitute the whole or part of an unsold allotment to, or a subscription or participation by, the dealer as an underwriter of the security.

(d) The security is listed in a nationally recognized securities manual designated by rule of the commission or a document filed with and publicly viewable through the Securities and Exchange Commission electronic data gathering and retrieval system and contains:

1. A description of the business and operations of the issuer.

2. The names of the issuer's officers and directors, if any, or, in the case of an issuer not domiciled in the United States, the corporate equivalents of such persons in the issuer's country of domicile.

3. An audited balance sheet of the issuer as of a date within 18 months before such transaction or, in the case of a



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reorganization or merger in which parties to the reorganization or merger had such audited balance sheet, a pro forma balance sheet, ~~and~~

4. An audited income statement for each of the issuer's immediately preceding 2 fiscal years, or for the period of existence of the issuer, if in existence for less than 2 years or, in the case of a reorganization or merger in which the parties to the reorganization or merger had such audited income statement, a pro forma income statement.

(e)1. The issuer of the security has a class of equity securities listed on a national securities exchange registered under the Securities Exchange Act of 1934, as amended;

2. The class of security is quoted, offered, purchased, or sold through an alternative trading system registered under Securities and Exchange Commission Regulation ATS, 17 C.F.R. s. 242.301, as amended, and the issuer of the security has made current information publicly available in accordance with Securities and Exchange Commission Rule 15c2-11, 17 C.F.R. s. 240.15c2-11, as amended;

3. The issuer of the security is a unit investment trust registered under the Investment Company Act of 1940, as amended;

4. The issuer of the security has been engaged in continuous business, including predecessors, for at least 3 years; or

5. The issuer of the security has total assets of at least \$2 million based on an audited balance sheet as of a date within 18 months before such transaction or, in the case of a reorganization or merger in which parties to the reorganization or merger had such audited balance sheet, a pro forma balance



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sheet.

(19) The offer or sale of any security effected by or through a person in compliance with s. 517.12(17) ~~s. 517.12(16)~~.

(20)(a) A nonissuer transaction in an outstanding security by or through a dealer registered or exempt from registration under this chapter, if, at the time of the transaction, all of the following conditions are met ~~true~~:

~~1.(a)~~ The issuer is a reporting issuer in a foreign jurisdiction ~~designated by this subsection or by commission rule~~, and the issuer has been subject to continuous reporting requirements in such foreign jurisdiction for not less than 180 days before the transaction.

~~2.(b)~~ The security is listed on a foreign securities exchange or foreign securities market ~~the securities exchange~~ ~~designated by this subsection or by commission rule~~, is a security of the same issuer which is of senior or substantially equal rank to the listed security, or is a warrant or right to purchase or subscribe to any such security.

(b) The commission shall consider all of the following in designating a foreign securities exchange or foreign securities market for purposes of this subsection:

1. Organization under foreign law.

2. Association with a community of dealers, financial institutions, or other professional intermediaries with an established operating history.

3. Oversight by a governmental or self-regulatory body.

4. Oversight standards set by general law.

5. Reporting of securities transactions on a regular basis to a governmental or self-regulatory body.



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243 6. A system for exchange of price quotations through common
244 communications media.

245 7. An organized clearance and settlement system.

246 8. Listing in Securities and Exchange Commission Regulation
247 S Rule 902, 17 C.F.R. s. 230.902, as amended.

248
249 ~~For purposes of this subsection, Canada, together with its~~
250 ~~provinces and territories, is designated as a foreign~~
251 ~~jurisdiction, and Toronto Stock Exchange, Inc., is designated as~~
252 ~~a securities exchange. If, after an administrative hearing in~~
253 ~~compliance with ss. 120.569 and 120.57, the office finds that~~
254 ~~revocation is necessary or appropriate in furtherance of the~~
255 ~~public interest and for the protection of investors, it may~~
256 ~~revoke the designation of a foreign securities exchange or~~
257 ~~foreign securities market under this subsection.~~

258 Section 3. Subsection (10) of section 517.0612, Florida
259 Statutes, is amended to read:

260 517.0612 Florida Invest Local Exemption.—

261 (10) The issuer must file with the office a notice of
262 transaction on a form prescribed by commission rule, an
263 irrevocable written consent to service of civil process in
264 accordance with s. 517.101, and a copy of the disclosure
265 statement described in subsection (8) at least ~~the offering with~~
266 ~~the office, in writing or in electronic form, in a format~~
267 ~~prescribed by commission rule, no less than 5 business days~~
268 ~~before the offering commences, along with the disclosure~~
269 ~~statement described in subsection (8).~~ If there are any material
270 changes to the information previously submitted, the issuer
271 must, within 3 business days after such material change, file an



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amended notice.

Section 4. Paragraph (b) of subsection (2) of section 517.0614, Florida Statutes, is amended to read:

517.0614 Integration of offerings.—

(2) The integration analysis required by subsection (1) is not required if any of the following nonexclusive safe harbors apply:

(b) Offers and sales made in compliance with any of the following provisions are not subject to integration with other offerings:

1. Section 517.051 or s. 517.061, except s. 517.061(10) or (11) ~~s. 517.061(9), (10), or (11)~~.

2. Section 517.0611 or s. 517.0612.

Section 5. Section 517.0616, Florida Statutes, is amended to read:

517.0616 Disqualification.—

(1) A registration exemption under s. 517.061(11) ~~s. 517.061(9), (10), and (11)~~, s. 517.0611, or s. 517.0612 is not available to an issuer if, at the time the issuer makes an offer for the sale of a security, the issuer; a predecessor of the issuer; an affiliated issuer; a director, executive officer, or other officer of the issuer participating in the offering; a general partner or managing member of the issuer; a beneficial owner of 20 percent or more of the issuer's outstanding voting equity securities, calculated on the basis of voting power; or a promoter connected with the issuer in any capacity at the time of such sale ~~that~~ would be disqualified under Securities and Exchange Commission Rule 506(d), 17 C.F.R. s. 230.506(d), as amended, ~~at the time the issuer makes an offer for the sale of a~~



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security.

(2) The disqualification under Securities and Exchange Commission Rule 506(d), 17 C.F.R. s. 230.506(d), as amended, does not apply to any other person or entity listed in such rule.

Section 6. Subsection (2) of section 517.075, Florida Statutes, is amended to read:

517.075 Cuba, prospectus disclosure of doing business with, required.—

(2) Any disclosure required by subsection (1) must include:

(a) The name of such person, affiliate, or government with which the issuer does business and the nature of that business. ~~+~~

(b) A statement that the information is accurate as of the date the securities were effective with the ~~United States~~ Securities and Exchange Commission or with the office, whichever date is later. ~~+~~ and

(c) A statement that current information concerning the issuer's business dealings with the government of Cuba or with any person or affiliate located in Cuba may be obtained from the office, which statement must include the address and phone number of the office.

Section 7. Subsection (5) and paragraph (a) of subsection (9) of section 517.081, Florida Statutes, are amended to read:

517.081 Registration procedure.—

(5) ~~All of~~ The following issuers are not eligible to submit a simplified offering circular:

(a) An issuer that is subject to any of the disqualifications described in Securities and Exchange Commission Rule 262, 17 C.F.R. s. 230.262, as amended, or that



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has been or is engaged or is about to engage in an activity that would be grounds for denial, revocation, or suspension under s. 517.111. For purposes of this paragraph, an issuer includes an issuer's director, officer, general partner, manager or managing member, trustee, or a person owning at least 10 percent of the ownership interests of the issuer; a promoter or selling agent of the securities to be offered; or any officer, director, partner, or manager or managing member of such selling agent.

(b) An issuer that is a development-stage company that either has no specific business plan or purpose or has indicated that its business plan is to merge with an unidentified business entity or entities.

(c) An issuer of offerings in which the specific business or properties cannot be described.

(d) An issuer that the office determines is ineligible because the simplified circular does not provide full and fair disclosure of material information for the type of offering to be registered by the issuer.

(9)(a) The office shall record the registration of a security in the register of securities if, upon examination of an application, it finds that all of the following requirements are met:

1. The application is complete.
2. The fee imposed in subsection (8) has been paid.
3. The sale of the security would not be fraudulent and would not work or tend to work a fraud upon the purchaser.
4. The terms of the sale of such securities would be fair, just, and equitable.

~~5. The enterprise or business of the issuer is not based~~



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~~upon unsound business principles.~~

Section 8. Present subsections (7) through (22) of section 517.12, Florida Statutes, are redesignated as subsections (8) through (23), respectively, a new subsection (7) is added to that section, and subsection (6), present subsection (10), paragraph (b) of present subsection (14), and present subsections (19), (20), and (21) of that section are amended, to read:

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

(6) The application must also contain such information as the commission or office may require about the applicant; any member, principal, or director of the applicant or any person having a similar status or performing similar functions; any person directly or indirectly controlling the applicant; or any employee of a dealer or of an investment adviser rendering investment advisory services. ~~Each applicant and any direct owners, principals, or indirect owners that are required to be reported on Form BD or Form ADV pursuant to subsection (14) shall submit fingerprints for live-scan processing in accordance with rules adopted by the commission. The fingerprints may be submitted through a third-party vendor authorized by the Department of Law Enforcement to provide live-scan fingerprinting. The costs of fingerprint processing shall be borne by the person subject to the background check. The Department of Law Enforcement shall conduct a state criminal history background check, and a federal criminal history background check must be conducted through the Federal Bureau of Investigation. The office shall review the results of the state~~



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~~and federal criminal history background checks and determine whether the applicant meets licensure requirements. The commission may waive, by rule, the requirement that applicants, including any direct owners, principals, or indirect owners that are required to be reported on Form BD or Form ADV pursuant to subsection (14), submit fingerprints or the requirement that such fingerprints be processed by the Department of Law Enforcement or the Federal Bureau of Investigation.~~ The commission or office may require information about any such applicant or person concerning such matters as:

(a) The applicant's or person's full name, and any other names by which the applicant or person may have been known, and the applicant's or person's age, social security number, photograph, qualifications, and educational and business history.

(b) Any injunction or administrative order by a state or federal agency, national securities exchange, or national securities association involving a security or any aspect of a dealer's or investment adviser's regulated business and any injunction or administrative order by a state or federal agency regulating banking, insurance, finance, or small loan companies, real estate, mortgage brokers, or other related or similar industries, which injunctions or administrative orders relate to such person.

(c) The applicant's or person's conviction of, or plea of nolo contendere to, a criminal offense or the applicant's or person's commission of any acts which would be grounds for refusal of an application under s. 517.161.

(d) The names and addresses of other persons of whom the



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office may inquire as to the applicant's or person's character, reputation, and financial responsibility.

(7)(a)1. The following natural persons shall submit a full set of fingerprints to the Department of Law Enforcement or to a vendor, entity, or agency authorized under s. 943.053(13) for live-scan processing in accordance with rules adopted by the commission:

a. A natural person who files an application with the office for registration as an associated person.

b. A natural person who holds the title of president, treasurer, chief executive officer, chief financial officer, chief operations officer, chief legal officer, chief compliance officer, or director for a dealer or investment adviser applicant.

c. A natural person who owns at least 5 percent of a dealer or investment adviser applicant.

d. With respect to each owner who owns at least 5 percent of a dealer or investment adviser applicant which is a corporation, partnership, trust, or limited liability company, each natural person who is a 25 percent or more owner or trustee of such entity, and each natural person who is a 25 percent or more owner or trustee at each level up the chain of ownership up to, but not including, an entity subject to s. 12 or s. 15(d) of the Securities Exchange Act of 1934, as amended.

2. For purposes of this subsection, the term "owner" means:

a. A shareholder who owns a percentage of a class of voting securities of a dealer or an investment adviser applicant, and includes any person who owns, beneficially owns, has the right to vote on, or has the power to sell or direct the sale of, the



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percentage of a class of a voting security of the dealer or investment adviser applicant specified in sub-subparagraph 1.c. or 1.d. For purposes of this sub-subparagraph, a person beneficially owns any securities:

(I) That are owned by the shareholder's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or

(II) That the shareholder has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the securities.

b. A general partner of a partnership, and a limited partner of a partnership who has the right to receive upon dissolution, or has contributed, a percentage of the capital of a dealer or investment adviser applicant.

c. A trustee of a trust that owns a percentage of a class of a voting security of a dealer or investment adviser applicant, or that has the right to receive upon dissolution, or has contributed, a percentage of the capital of a dealer or investment adviser applicant.

d. A member of a limited liability company who has the right to receive upon dissolution, or has contributed, a percentage of the capital of a dealer or investment adviser applicant, and all limited liability company managers of a dealer or investment adviser applicant.

(b) A vendor, entity, or agency authorized under s. 943.053(13) to submit fingerprints electronically to the Department of Law Enforcement shall submit the fingerprints to the department for state processing, and the department shall



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forward the fingerprints to the Federal Bureau of Investigation
for national processing.

(c) Fees for state and federal fingerprint processing shall
be borne by the person subject to the criminal history record
check. The state cost for fingerprint processing shall be as
provided in s. 943.053(3)(e).

(d) The office shall review the results of the state and
federal criminal history record checks and determine whether the
applicant is disqualified from registration. The commission may
waive by rule the requirement that the persons listed in this
subsection submit fingerprints or the requirement that such
fingerprints be processed by the Department of Law Enforcement
or the Federal Bureau of Investigation. In waiving the
requirement, the commission may consider the rules and
regulations of the Securities and Exchange Commission, the model
rules and acts of the North American Securities Administrators
Association, Inc., and the rules and regulations of the
Financial Industry Regulatory Authority.

(11) (a) ~~(10) (a)~~ If the office finds that the applicant has
complied with the applicable registration provisions of this
chapter and the rules made pursuant hereto, it shall register
the applicant unless the applicant is otherwise disqualified for
registration pursuant to law. The registration of each dealer,
investment adviser, and associated person expires on December 31
of the year the registration became effective unless the
registrant has renewed its registration on or before that date.
Registration may be renewed by furnishing such information as
the commission may require, together with payment of the fee
required in paragraph (10) (a) ~~(9) (a)~~ for dealers, investment



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advisers, or associated persons and the payment of any amount lawfully due and owing to the office pursuant to any order of the office or pursuant to any agreement with the office. Any dealer, investment adviser, or associated person who has not renewed a registration by the time the current registration expires may request reinstatement of such registration by filing with the office, on or before January 31 of the year following the year of expiration, such information as may be required by the commission, together with payment of the fee required in paragraph (10)(a) ~~(9)(a)~~ for dealers, investment advisers, or associated persons and a late fee equal to the amount of such fee. Any reinstatement of registration granted by the office during the month of January shall be deemed effective retroactive to January 1 of that year.

(b) The office shall waive the \$50 assessment fee for an associated person required by paragraph (10)(a) ~~(9)(a)~~ for a registrant renewing his or her registration who:

1. Is an active duty member of the United States Armed Forces or the spouse of such member;

2. Is or was a member of the United States Armed Forces and served on active duty within the 2 years preceding the expiration date of the registration pursuant to paragraph (a). To qualify for the fee waiver, a registrant who is a former member of the United States Armed Forces who served on active duty within the 2 years preceding the expiration date of the registration must have received an honorable discharge upon separation or discharge from the United States Armed Forces; or

3. Is the surviving spouse of a member of the United States Armed Forces if the member was serving on active duty at the



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time of death and died within the 2 years preceding the surviving spouse's registration expiration date pursuant to paragraph (a).

A registrant seeking such fee waiver must submit proof, in a form prescribed by commission rule, that the registrant meets one of the qualifications in this paragraph.

(15) ~~(14)~~

(b) In lieu of filing with the office the applications specified in subsection (5), the fees required by subsection (10) ~~(9)~~, the renewals required by subsection (11) ~~(10)~~, and the termination notices required by subsection (12) ~~(11)~~, the commission may by rule establish procedures for the deposit of such fees and documents with the Central Registration Depository or the Investment Adviser Registration Depository of the Financial Industry Regulatory Authority, as developed under contract with the North American Securities Administrators Association, Inc.

(20) ~~(19)~~ An intermediary may not engage in business in this state unless the intermediary is registered as a dealer or as an intermediary with the office pursuant to this section to facilitate the offer or sale of securities in accordance with s. 517.0611. An intermediary, in order to obtain registration, must file with the office a written application on a form prescribed by commission rule and pay a registration fee of \$200. The fees under this subsection shall be deposited into the Regulatory Trust Fund of the office. The commission may establish by rule procedures for depositing fees and filing documents by electronic means if such procedures provide the office with the



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information and data required by this section. Each intermediary must also file an irrevocable written consent to service of civil process, as provided in s. 517.101.

(a) The application must contain such information as the commission or office may require concerning:

1. The name of the applicant and address of its principal office and each office in this state.

2. The applicant's form and place of organization; and, if the applicant is:

a. A corporation, a copy of its articles of incorporation and amendments to the articles of incorporation;

b. A limited liability company, a copy of its articles of organization and amendments to the articles and a copy of the company's operating agreement as may be amended; or

c. A partnership, a copy of the partnership agreement.

3. The website address where securities of the issuer will be offered.

4. Contact information.

(b) The application must also contain such information as the commission may require by rule about the applicant; any member, principal, or director of the applicant or any person having a similar status or performing similar functions; or any persons directly or indirectly controlling the applicant. ~~Each applicant and any direct owners, principals, or indirect owners that are required to be reported on a form adopted by commission rule shall submit fingerprints for live-scan processing in accordance with rules adopted by the commission. The fingerprints may be submitted through a third-party vendor authorized by the Department of Law Enforcement to provide live-~~



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~~scan fingerprinting. The costs of fingerprint processing shall be borne by the person subject to the background check. The Department of Law Enforcement shall conduct a state criminal history background check, and a federal criminal history background check must be conducted through the Federal Bureau of Investigation. The office shall review the results of the state and federal criminal history background checks and determine whether the applicant meets registration requirements. The commission may waive, by rule, the requirement that applicants, including any direct owners, principals, or indirect owners, which are required to be reported on a form adopted by commission rule, submit fingerprints or the requirement that such fingerprints be processed by the Department of Law Enforcement or the Federal Bureau of Investigation. The~~
commission, by rule, or the office may require information about any applicant or person, including:

1. The applicant's or person's full name and any other names by which the applicant or person may have been known and the applicant's or person's age, social security number, photograph, qualifications, and educational and business history.

2. Any injunction or administrative order by a state or federal agency, national securities exchange, or national securities association involving a security or any aspect of an intermediary's regulated business and any injunction or administrative order by a state or federal agency regulating banking, insurance, finance, real estate, mortgage brokers, or other related or similar industries, which relate to such person.



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3. The applicant's or person's conviction of, or plea of nolo contendere to, a criminal offense or the applicant's or person's commission of any acts that would be grounds for refusal of an application under s. 517.161.

(c)1. The following natural persons must submit a full set of fingerprints to the Department of Law Enforcement or to a vendor, entity, or agency authorized under s. 943.053(13) for live-scan processing in accordance with rules adopted by the commission:

a. A natural person filing an application with the office for registration as an intermediary.

b. A natural person who holds the title of president, treasurer, chief executive officer, chief financial officer, chief operations officer, chief legal officer, chief compliance officer, or director for an intermediary applicant.

c. A natural person who is a 5 percent or more owner of an intermediary applicant.

d. With respect to each 5 percent or more owner of an intermediary applicant that is a corporation, partnership, trust, or limited liability company, each natural person who is a 25 percent or more owner or trustee of such entity, and each natural person who is a 25 percent or more owner or trustee at each level up the chain of ownership up to, but not including an entity subject to s. 12 or s. 15(d) of the Securities Exchange Act of 1934, as amended.

2. For purposes of this subsection, the term "owner" means:

a. A shareholder who owns a percentage of a class of voting securities of an intermediary applicant, and includes any person who owns, beneficially owns, has the right to vote on, or has



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the power to sell or direct the sale of, the percentage of a
class of a voting security of the intermediary applicant
specified in sub-subparagraph 1.c. or 1.d. For purposes of this
sub-subparagraph, a person beneficially owns any securities:

(I) That are owned by the shareholder's child, stepchild,
grandchild, parent, stepparent, grandparent, spouse, sibling,
mother-in-law, father-in-law, son-in-law, daughter-in-law,
brother-in-law, or sister-in-law, sharing the same residence; or

(II) That the shareholder has the right to acquire, within
60 days, through the exercise of any option, warrant, or right
to purchase the securities.

b. A general partner of a partnership, and a limited
partner of a partnership who has the right to receive upon
dissolution, or has contributed, a percentage of the capital of
an intermediary applicant.

c. A trustee of a trust that owns a percentage of a class
of a voting security of an intermediary applicant, or that has
the right to receive upon dissolution, or has contributed, a
percentage of the capital of an intermediary applicant.

d. A member of a limited liability company who has the
right to receive upon dissolution, or has contributed, a
percentage of the capital of an intermediary applicant, and, all
limited liability company managers of an intermediary applicant.

(d) The vendor, entity, or agency authorized under s.
943.053(13) to submit fingerprints electronically to the
Department of Law Enforcement shall submit the fingerprints to
the department for state processing, and the department shall
forward the fingerprints to the Federal Bureau of Investigation
for national processing.



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(e) Fees for state and federal fingerprint processing must be borne by the person subject to the criminal history record check. The state cost for fingerprint processing is as provided in s. 943.053(3)(e).

(f) The office shall review the results of the state and federal criminal history record checks and determine whether the applicant is disqualified from registration. The commission may waive by rule the requirement that applicants, including any persons listed in sub-subparagraphs (c)1.a.-d., submit fingerprints or the requirement that such fingerprints be processed by the Department of Law Enforcement or the Federal Bureau of Investigation. In waiving the requirement, the commission may consider the rules and regulations of the Securities and Exchange Commission, the model rules and acts of the North American Securities Administrators Association, Inc., and the rules and regulations of the Financial Industry Regulatory Authority.

(g)~~(e)~~ The application must be amended within 30 days if any information contained in the form becomes inaccurate for any reason.

(h)~~(d)~~ An intermediary or persons affiliated with the intermediary are not subject to any disqualification described in s. 517.1611 or Securities and Exchange Commission Rule 506(d), 17 C.F.R. 230.506(d), adopted pursuant to the Securities Act of 1933, as amended. Each director, officer, manager or managing member, control person of the issuer, any person occupying a similar status or performing a similar function, and each person holding more than 20 percent of the ownership interests of the intermediary is subject to this requirement.



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(i)~~(e)~~ If the office finds that the applicant has complied with the applicable registration provisions of this chapter and the rules adopted thereunder, it shall register the applicant. The registration of each intermediary expires on December 31 of the year the registration became effective unless the registrant renews his or her registration on or before that date. Registration may be renewed by furnishing such information as the commission may require by rule, together with payment of a \$200 fee and the payment of any amount due to the office pursuant to any order of the office or pursuant to any agreement with the office. An intermediary who has not renewed a registration by the time that the current registration expires may request reinstatement of such registration by filing with the office, on or before January 31 of the year following the year of expiration, such information as required by the commission, together with payment of the \$200 fee and a late fee of \$200. Any reinstatement of registration granted by the office during the month of January is deemed effective retroactive to January 1 of that year.

~~(21)(20)~~ 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(30)(g) ~~s. 517.021(25)(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.



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(22) (a) ~~(21) (a)~~ As used in this subsection, the term:

1. "Broker" has the same meaning as "dealer" as defined in s. 517.021.

2. "Business combination related shell company" means a shell company that is formed by an entity that is not a shell company solely for the purpose of:

a. Changing the corporate domicile of the entity solely within the United States; or

b. Completing a business combination transaction, as defined in 17 C.F.R. s. 230.165(f), among one or more entities other than the company itself, none of which is a shell company.

~~3.2.~~ "Control person" means a person ~~an individual or entity~~ that possesses the power, directly or indirectly, to direct the management or policies of a company through ownership of securities, by contract, or otherwise. A person is presumed to be a control person of a company if, upon completion of a transaction, the buyer or group of buyers ~~with respect to a particular company, the person:~~

~~a. Is a director, a general partner, a member, or a manager of a limited liability company, or is an officer who exercises executive responsibility or has a similar status or function;~~

~~a.b.~~ Has the power to vote 25 ~~20~~ percent or more of a class of voting securities or has the power to sell or direct the sale of 25 ~~20~~ percent or more of a class of voting securities; or

~~b.e.~~ In the case of a partnership or limited liability company, may receive upon dissolution, or has contributed, 25 ~~20~~ percent or more of the capital.

~~4.3.~~ "Eligible privately held company" means a privately held company that meets all of the following conditions:



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a. The company does not have any class of securities which is registered, or which is required to be registered, with the ~~United States~~ Securities and Exchange Commission under the Securities Exchange Act of 1934, 15 U.S.C. ss. 78a et seq., as amended, or with the office under s. 517.07, or for which the company files, or is required to file, summary and periodic information, documents, and reports under s. 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. s. 78o(d), as amended.

b. In the fiscal year immediately preceding the fiscal year during which the merger and acquisition broker begins to provide services for the securities transaction, the company, in accordance with its historical financial accounting records, has earnings before interest, taxes, depreciation, and amortization of less than \$25 million or has gross revenues of less than \$250 million. On July 1, 2021, and every 5 years thereafter, each dollar amount in this sub-subparagraph shall be adjusted by dividing the annual value of the Employment Cost Index for wages and salaries for private industry workers, or any successor index, as published by the Bureau of Labor Statistics, for the calendar year preceding the calendar year in which the adjustment is being made, by the annual value of such index or successor index for the calendar year ending December 31, 2020 ~~2012~~, and multiplying such dollar amount by the quotient obtained. Each dollar amount determined under this sub-subparagraph must ~~shall~~ be rounded to the nearest multiple of \$100,000 and adopted by commission rule.

5.4- "Merger and acquisition broker" means a ~~any~~ broker and any person associated with a broker engaged in the business of



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effecting securities transactions solely in connection with the transfer of ownership of an eligible privately held company, regardless of whether the ~~that~~ broker acts on behalf of a seller or buyer, through the purchase, sale, exchange, issuance, repurchase, or redemption of, or a business combination involving, securities or assets of the eligible privately held company.

~~6.5.~~ "Public Shell company" means a company that at the time of a transaction with an eligible privately held company:

~~a. Has any class of securities which is registered, or which is required to be registered, with the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, 15 U.S.C. ss. 78a et seq., or with the office under s. 517.07, or for which the company files, or is required to file, summary and periodic information, documents, and reports under s. 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. s. 78o(d);~~

~~a.b.~~ Has nominal or no operations. ~~;~~ ~~and~~

~~b.e.~~ Has nominal assets or no assets, assets consisting solely of cash and cash equivalents, or assets consisting of any amount of cash and cash equivalents and nominal other assets.

(b) Prior to the completion of any securities transaction described in s. 517.061(7), a merger and acquisition broker must receive written assurances from the control person with the largest percentage of ownership for both the buyer and seller engaged in the transaction that:

1. After the transaction is completed, any person who acquires securities or assets of the eligible privately held company, acting alone or in concert, will be a control person of



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the eligible privately held company or will be a control person for the business conducted with the assets of the eligible privately held company. ~~and~~

2. After the transaction is completed, any person who acquires securities or assets of the eligible privately held company, acting alone or in concert, will be deemed to be active in the management of the eligible privately held company or the business conducted with the assets of the eligible privately held company, and active in the management of the assets of the eligible privately held company, if he or she engages in any of the following acts or activities:

- a. Electing executive officers.
- b. Approving the annual budget.
- c. Serving as an executive or other executive manager.
- d. Carrying out such other activities as the commission may by rule determine to be in the public interest.

3.2- If any person is offered securities in exchange for securities or assets of the eligible privately held company, such person will, before becoming legally bound to complete the transaction, receive or be given reasonable access to the most recent year-end financial statements of the issuer of the securities offered in exchange. The most recent year-end financial statements shall be customarily prepared by the issuer's management in the normal course of operations. If the financial statements of the issuer are audited, reviewed, or compiled, the most recent year-end financial statements must include any related statement by the independent certified public accountant; a balance sheet dated not more than 120 days before the date of the exchange offer; and information



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pertaining to the management, business, results of operations for the period covered by the foregoing financial statements, and material loss contingencies of the issuer.

(c) A merger and acquisition broker engaged in a transaction exempt under s. 517.061(7) is exempt from registration under this section unless the merger and acquisition broker:

1. Directly or indirectly, in connection with the transfer of ownership of an eligible privately held company, receives, holds, transmits, or has custody of the funds or securities to be exchanged by the parties to the transaction;

2. Engages on behalf of an issuer in a public offering of any class of securities which is registered, or which is required to be registered, with the ~~United States~~ Securities and Exchange Commission under the Securities Exchange Act of 1934, 15 U.S.C. ss. 78a et seq., as amended, or with the office under s. 517.07; or for which the issuer files, or is required to file, periodic information, documents, and reports under s. 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. s. 78o(d), as amended;

3. Engages on behalf of any party in a transaction involving a ~~public~~ shell company, other than a business combination related shell company;

4. Directly, or indirectly through any of its affiliates, provides financing related to the transfer of ownership of an eligible privately held company;

5. Assists any party to obtain financing from an unaffiliated third party without:

a. Complying with all other applicable laws in connection



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with such assistance, including, if applicable, Regulation T under 12 C.F.R. ss. 220 et seq., as amended; and

b. Disclosing any compensation in writing to the party;

6. Represents both the buyer and the seller in the same transaction without providing clear written disclosure as to the parties the broker represents and obtaining written consent from both parties to the joint representation;

7. Facilitates a transaction with a group of buyers formed with the assistance of the merger and acquisition broker to acquire the eligible privately held company;

8. Engages in a transaction involving the transfer of ownership of an eligible privately held company to a passive buyer or group of passive buyers;

9. Binds a party to a transfer of ownership of an eligible privately held company; or

10. Is subject to, or an officer, director, member, manager, partner, or employee of the broker is subject to, the following disciplinary actions:

a. Has been barred from association with a broker or dealer by the Securities and Exchange Commission, any state, or any self-regulatory organization; or

b. Is suspended from association with a broker or dealer.

~~4. Is subject to a suspension or revocation of registration under s. 15(b)(4) of the Securities Exchange Act of 1934, 15 U.S.C. s. 78o(b)(4);~~

~~5. Is subject to a statutory disqualification described in s. 3(a)(39) of the Securities Exchange Act of 1934, 15 U.S.C. s. 78e(a)(39);~~

~~6. Is subject to a disqualification under the United States~~



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~~Securities and Exchange Commission Rule 506(d), 17 C.F.R. s.~~
~~230.506(d); or~~

~~7. Is subject to a final order described in s. 15(b)(4)(H)~~
~~of the Securities Exchange Act of 1934, 15 U.S.C. s.~~
~~78o(b)(4)(H).~~

Section 9. Subsection (1), paragraph (a) of subsection (2),
and subsections (3) and (5) of section 517.131, Florida
Statutes, are amended to read:

517.131 Securities Guaranty Fund.—

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

(a) "Final judgment" includes an arbitration award
confirmed by a court of competent jurisdiction.

(b) "Restitution order" means a court order awarding a
specified monetary amount to a named aggrieved person for a
violation of s. 517.07 or s. 517.301 to be paid by a named
violator.

(2)(a) The Chief Financial Officer shall establish a
Securities Guaranty Fund to provide monetary relief to victims
of securities violations under this chapter who are entitled to
monetary damages or restitution and cannot recover the full
amount of such monetary damages or restitution from the
wrongdoer. An amount not exceeding 20 percent of all revenues
received as assessment fees pursuant to s. 517.12(10) and (11)
~~s. 517.12(9) and (10)~~ for dealers and investment advisers or s.
517.1201 for federal covered advisers and an amount not
exceeding 10 percent of all revenues received as assessment fees
pursuant to s. 517.12(10) and (11) ~~s. 517.12(9) and (10)~~ for
associated persons must be part of the regular registration
license fee and must be transferred to or deposited in the



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Securities Guaranty Fund.

(3) A person is eligible for payment from the Securities Guaranty Fund if the person:

(a)1. Is a judgment creditor in ~~Holds~~ an unsatisfied final judgment or a named beneficiary or victim in an unsatisfied restitution order entered on or after October 1, 2024, in which a wrongdoer was found to have violated s. 517.07 or s. 517.301;

2. Has applied any amount recovered from the judgment debtor, a person ordered to pay restitution, or any other source to the damages awarded in a final judgment or restitution order ~~by the court or arbitrator;~~ and

3. Is a natural person who was a resident of this state, or is a business entity that was domiciled in this state, at the time of the violation of s. 517.07 or s. 517.301; or

(b) Is a receiver appointed pursuant to s. 517.191(2) by a court of competent jurisdiction for a wrongdoer ordered to pay restitution under s. 517.191(3) as a result of a violation of s. 517.07 or s. 517.301 which has requested payment from the Securities Guaranty Fund on behalf of a person eligible for payment under paragraph (a).

If a person holds an unsatisfied final judgment or restitution order entered before October 1, 2024, in which a wrongdoer was found to have violated s. 517.07 or s. 517.301, such person's claim for payment from the Securities Guaranty Fund shall be governed by the terms of this section and s. 517.141 which were effective on the date of such final judgment or restitution order.

(5) An eligible person, or a receiver on behalf of the



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eligible person, seeking payment from the Securities Guaranty Fund must file with the office a written application on a form that the commission may prescribe by rule. The commission may adopt by rule procedures for filing documents by electronic means, provided that such procedures provide the office with the information and data required by this section. The application must be filed with the office within 1 year after the date of the final judgment, the date on which a restitution order has been ripe for execution, or the date of any appellate decision thereon, and, at minimum, must contain all of the following information:

(a) The eligible person's and, if applicable, the receiver's full names, addresses, and contact information.

(b) The name of the judgment debtor or person ordered to pay restitution.

(c) If the eligible person is a business entity, the eligible person's type and place of organization and, as applicable, a copy, as amended, of its articles of incorporation, articles of organization, trust agreement, or partnership agreement.

(d) A copy of any final judgment or ~~and a copy thereof.~~

~~(e) Any restitution order pursuant to s. 517.191(3), and a copy thereof.~~

(e) ~~(f)~~ An affidavit from the eligible person stating either one of the following:

1. That the eligible person has made all reasonable searches and inquiries to ascertain whether the judgment debtor or person ordered to pay restitution possesses real or personal property or other assets subject to being sold or applied in



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satisfaction of the final judgment or restitution order and, by the eligible person's search, that the eligible person has not discovered any property or assets.

2. That the eligible person has taken necessary action on the property and assets of the wrongdoers but the final judgment or restitution order remains unsatisfied.

~~(f)-(g)~~ If the application is filed by the receiver, an affidavit from the receiver stating the amount of restitution owed to the eligible person on whose behalf the claim is filed; the amount of any money, property, or assets paid to the eligible person on whose behalf the claim is filed by the person over whom the receiver is appointed; and the amount of any unsatisfied portion of any eligible person's restitution order ~~of restitution~~.

~~(g)-(h)~~ The eligible person's residence or domicile at the time of the violation of s. 517.07 or s. 517.301 which resulted in the eligible person's monetary damages.

~~(h)-(i)~~ The amount of any unsatisfied portion of the eligible person's final judgment or restitution order.

~~(i)-(j)~~ Whether an appeal ~~or motion to vacate an arbitration award~~ has been filed.

Section 10. Subsection (3) of section 517.301, Florida Statutes, is amended to read:

517.301 Fraudulent transactions; falsification or concealment of facts.—

(3) It is unlawful for a person in issuing or selling a security within this state, including a security exempted under s. 517.051 and including a transaction exempted under s. 517.061, s. 517.0611, or s. 517.0612, to misrepresent that such



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security or person ~~business entity~~ has been guaranteed,
sponsored, recommended, or approved by the state or an agency or
officer of the state or by the United States or an agency or
officer of the United States.

Section 11. Subsection (4) of section 517.34, Florida
Statutes, is amended to read:

517.34 Protection of specified adults.—

(4) A delay on a disbursement or transaction under
subsection (3) expires 15 business days after the date on which
the delay was first placed. However, the dealer or investment
adviser may extend the delay for up to 30 ~~10~~ additional business
days if the dealer's or investment adviser's review of the
available facts and circumstances continues to support such
dealer's or investment adviser's reasonable belief that
financial exploitation of the specified adult has occurred, is
occurring, has been attempted, or will be attempted. A dealer or
investment adviser that extends a delay must notify the office
on a form prescribed by commission rule not later than 3
business days after the date on which the extension was applied.
The notice must identify the dealer or investment adviser that
extended the delay and the date on which the delay was
originally made. The length of the delay may be shortened or
extended at any time by a court of competent jurisdiction. This
subsection does not prevent a dealer or investment adviser from
terminating a delay after communication with the parties
authorized to transact business on the account and any trusted
contact on the account.

Section 12. Subsection (1) of section 517.211, Florida
Statutes, is amended to read:



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517.211 Private remedies available in cases of unlawful sale.—

(1) Every sale made in violation of either s. 517.07 or s. 517.12(1), (3), (4), (9), (11), (13), (16), or (18) ~~s. 517.12(1), (3), (4), (8), (10), (12), (15), or (17)~~ may be rescinded at the election of the purchaser; however, a sale made in violation of the provisions of s. 517.1202(3) relating to a renewal of a branch office notification or in violation of the provisions of s. 517.12(13) ~~s. 517.12(12)~~ relating to filing a change of address amendment is not subject to this section. Each person making the sale and every director, officer, partner, or agent of or for the seller, if the director, officer, partner, or agent has personally participated or aided in making the sale, is jointly and severally liable to the purchaser in an action for rescission, if the purchaser still owns the security, or for damages, if the purchaser has sold the security. No purchaser otherwise entitled will have the benefit of this subsection who has refused or failed, within 30 days after receipt, to accept an offer made in writing by the seller, if the purchaser has not sold the security, to take back the security in question and to refund the full amount paid by the purchaser or, if the purchaser has sold the security, to pay the purchaser an amount equal to the difference between the amount paid for the security and the amount received by the purchaser on the sale of the security, together, in either case, with interest on the full amount paid for the security by the purchaser at the legal rate, pursuant to s. 55.03, for the period from the date of payment by the purchaser to the date of repayment, less the amount of any income received by the



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purchaser on the security.

Section 13. Subsection (2) of section 517.315, Florida Statutes, is amended to read:

517.315 Fees.—All fees of any nature collected by the office pursuant to this chapter shall be disbursed as follows:

(2) After the transfer required in subsection (1), the office shall transfer the \$50 assessment fee collected from each associated person under s. 517.12(10) and (11) ~~s. 517.12(9) and (10)~~ and 30.44 percent of the \$100 assessment fee paid by dealers and investment advisers for each office in the state under s. 517.12(10) and (11) ~~s. 517.12(9) and (10)~~ to the Regulatory Trust Fund.

Section 14. This act shall take effect upon becoming a law.

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

And the title is amended as follows:

Delete everything before the enacting clause and insert:

A bill to be entitled
An act relating to securities; amending s. 517.021, F.S.; providing and revising definitions; amending s. 517.061, F.S.; revising the circumstances under which securities transactions are exempt from registration requirements; conforming cross-references; amending s. 517.0612, F.S.; revising the filing requirements for securities issuers under the Florida Invest Local Exemption law; amending s. 517.0614, F.S.; revising circumstances under which securities offers and sales are not subject to integration with other offerings;



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1113 amending s. 517.0616, F.S.; revising the registration
1114 exemptions that are available to specified issuers
1115 under certain circumstances; providing applicability
1116 of certain disqualification provisions under a
1117 specified Securities and Exchange Commission rule;
1118 amending s. 517.075, F.S.; making a technical change;
1119 amending s. 517.081, F.S.; revising the requirements
1120 for securities registration applications; amending s.
1121 517.12, F.S.; revising the list of persons who must
1122 submit fingerprints for live-scan processing for
1123 registration applications; providing fees for
1124 fingerprint processing; defining the term "owner";
1125 authorizing the Financial Services Commission to
1126 consider certain rules and regulations in waiving the
1127 fingerprint requirement; providing and revising
1128 definitions; revising the written assurances
1129 requirements that merger and acquisition brokers must
1130 receive from certain control persons under specified
1131 circumstances; revising the circumstances under which
1132 merger and acquisition brokers are not exempt from
1133 specified securities registration; conforming cross-
1134 references; amending s. 517.131, F.S.; defining the
1135 term "restitution order"; revising the circumstances
1136 under which a person is eligible for payment from the
1137 Securities Guaranty Fund; revising the requirements
1138 for applications for payment from the fund; conforming
1139 cross-references; amending s. 517.301, F.S.;
1140 specifying a prohibition against certain
1141 misrepresentations in a person issuing and selling



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1142 securities; amending s. 517.34, F.S.; revising the
1143 maximum number of days by which a dealer or investment
1144 adviser may extend a delay on a disbursement or
1145 transaction; amending ss. 517.211 and 517.315, F.S.;
1146 conforming cross-references; providing an effective
1147 date.

By Senator Truenow

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1 A bill to be entitled
 2 An act relating to securities; amending s. 517.021,
 3 F.S.; providing and revising definitions; amending s.
 4 517.061, F.S.; revising the circumstances under which
 5 securities transactions are exempt from registration
 6 requirements; conforming cross-references; amending s.
 7 517.0612, F.S.; revising the filing requirements for
 8 securities issuers under the Florida Invest Local
 9 Exemption law; amending s. 517.0614, F.S.; revising
 10 circumstances under which securities offers and sales
 11 are not subject to integration with other offerings;
 12 amending s. 517.0616, F.S.; revising the registration
 13 exemptions that are available to specified issuers
 14 under certain circumstances; providing applicability
 15 of certain disqualification provisions under a
 16 specified Securities and Exchange Commission rule;
 17 amending s. 517.075, F.S.; making a technical change;
 18 amending s. 517.081, F.S.; revising the requirements
 19 for securities registration applications; amending s.
 20 517.12, F.S.; revising the list of persons who must
 21 submit fingerprints for live-scan processing for
 22 registration applications; providing fees for
 23 fingerprint processing; providing and revising
 24 definitions; revising the written assurances
 25 requirements that merger and acquisition brokers must
 26 receive from certain control persons under specified
 27 circumstances; revising the circumstances under which
 28 merger and acquisition brokers are not exempt from
 29 specified securities registration; conforming cross-

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30 references; amending s. 517.131, F.S.; defining the
 31 term "restitution order; revising the circumstances
 32 under which a person is eligible for payment from the
 33 Securities Guaranty Fund; revising the requirements
 34 for applications for payment from the fund; conforming
 35 cross-references; amending s. 517.301, F.S.;
 36 specifying a prohibition against certain
 37 misrepresentations in issuing and selling securities;
 38 amending ss. 517.211 and 517.315, F.S.; conforming
 39 cross-references; providing an effective date.

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

42
 43 Section 1. Present subsections (6) through (9), (10), (11)
 44 through (17), (18) through (25), (26), and (27) of section
 45 517.021, Florida Statutes, are redesignated as subsections (7)
 46 through (10), (12), (14) through (20), (23) through (30), (32),
 47 and (33), respectively, new subsections (6), (11), (13), (21),
 48 (22), and (31) are added to that section, and present
 49 subsections (11) and (15) of that section are amended, to read:

50 517.021 Definitions.—When used in this chapter, unless the
 51 context otherwise indicates, the following terms have the
 52 following respective meanings:

53 (6) "Branch manager" means a natural person who administers
 54 or supervises the affairs or operations of a branch office.

55 (11) "Corporation" has the same meaning as "corporation" or
 56 "domestic corporation" in s. 607.01401 or "foreign corporation"
 57 in s. 607.01401.

58 (13) "Director" means a person appointed or elected to sit

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on a board that manages the affairs of a corporation or other organization by electing or exercising control over its officers.

~~(14)(11)~~ "Federal covered adviser" means a person that is registered or required to be registered under s. 203 of the Investment Advisers Act of 1940, as amended. The term does not include any person that is excluded from the definition of investment adviser under subparagraphs (19)(b)1.-7. ~~(16)(b)1.-7.~~ and 9.

~~(18)(15)~~ "Intermediary" means a natural person that residing in this state or a corporation, trust, partnership, limited liability company, association, or other legal entity registered with the Secretary of State to do business in this state, which facilitates through its website the offer or sale of securities of an issuer with a principal place of business in this state.

(21) "Limited liability company" has the same meaning as "limited liability company" or "foreign limited liability company," as those terms are defined in s. 605.0102.

(22) "Limited liability company manager" or "limited liability managing member" means a person who is responsible alone or in concert with others for performing the management functions of a limited liability company.

(31) "Trust" has the same meaning as in s. 731.201.

Section 2. Subsections (7) and (9), paragraph (f) of subsection (11), and subsections (18), (19), and (20) of section 517.061, Florida Statutes, are amended to read:

517.061 Exempt transactions.—Except as otherwise provided in subsection (11), the exemptions provided herein from the

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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:

(7) The offer or sale of securities, solely in connection with the transfer of ownership of an eligible privately held company, through a merger and acquisition broker in accordance with s. 517.12(22) ~~s. 517.12(21)~~.

(9) The offer or sale of securities to:

(a) A bank, trust company, savings institution, insurance company, dealer, investment company as defined in the Investment Company Act of 1940, 15 U.S.C. s. 80a-3, as amended, pension or profit-sharing trust, or qualified institutional buyer, whether any of such entities is acting in its individual or fiduciary capacity.

(b) A savings and loan association, building and loan association, cooperative bank, homestead association, or credit union, which is supervised and examined by a state or federal authority having supervision over any such institution.

(c) A federal covered adviser, investment adviser registered pursuant to the laws of a state, exempt reporting adviser or private fund adviser as those terms are defined in s. 517.12(23)(a)2. and 3., respectively, investment adviser relying on the exemption from registering with the Securities and Exchange Commission under s. 203(l) or (m) of the Investment Advisers Act of 1940, as amended, business development company

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as defined in s. 2(a)(48) of the Investment Company Act of 1940,
as amended, or business development company as defined in s.
202(a)(22) of the Investment Advisers Act of 1940, as amended.

(d) A small business investment company licensed by the
Small Business Administration under s. 301(c) of the Small
Business Investment Act of 1958, as amended, or rural business
investment company as defined in s. 384A of the Consolidated
Farm and Rural Development Act.

(e) A plan established and maintained by a state, a
political subdivision thereof, or any agency or instrumentality
of a state or a political subdivision, for the benefit of its
employees, if such plan has total assets in excess of \$5
million, an employee benefit plan within the meaning of the
Employee Retirement Income Security Act of 1974 if the
investment decision is made by a plan fiduciary, as described in
s. 3(21) of such act, which is a bank, savings and loan
association, insurance company, or federal covered adviser, or
if the employee benefit plan has total assets in excess of \$5
million or, if a self-directed plan, with investment decisions
made solely by persons that are accredited investors.

(f) An organization described in s. 501(c)(3) of the
Internal Revenue Code, corporation, Massachusetts trust or
similar business trust, partnership, or limited liability
company, not formed for the specific purpose of acquiring the
securities offered, with total assets in excess of \$5 million.

(g) A trust, with total assets in excess of \$5 million, not
formed for the specific purpose of acquiring the securities
offered, whose purchase is directed by a sophisticated person as
described in Securities and Exchange Commission Rule

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506(b)(2)(ii), 17 C.F.R. s. 230.506(b)(2)(ii), as amended.

(h) An entity of a type not listed in paragraphs (a)-(g) or
paragraph (j) which owns investments as defined in Securities
and Exchange Commission Rule 2a51-1(b), 17 C.F.R s. 270.2a51-
1(b), as amended, in excess of \$5 million and is not formed for
the specific purpose of acquiring the securities offered.

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

(j) An entity in which all of the equity owners are
described in paragraphs (a)-(i).

(11) Offers or sales of securities by an issuer in a
transaction that meets all of the following conditions:

(f) The issuer files with the office a notice of
transaction on a form prescribed by commission rule, an
irrevocable written,~~a~~ consent to service of civil process
similar to that provided in s. 517.101, and a copy of the
general announcement within 15 days after the first sale is made
in this state. The commission may adopt by rule procedures for

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filing documents by electronic means.

(18) Any nonissuer transaction by a registered dealer, and any resale transaction by a sponsor of a unit investment trust registered under the Investment Company Act of 1940, as amended, in a security of a class that has been outstanding in the hands of the public for at least 90 days; provided that, at the time of the transaction, the following conditions in paragraphs (a), (b), and (c) and either paragraph (d) or paragraph (e) are met:

(a) The issuer of the security is actually engaged in business and is not in the organizational stage or in bankruptcy or receivership and is not a blank check, blind pool, or shell company whose primary plan of business is to engage in a merger or combination of the business with, or an acquisition of, an unidentified person.

(b) The security is sold at a price reasonably related to the current market price of the security.

(c) The security does not constitute the whole or part of an unsold allotment to, or a subscription or participation by, the dealer as an underwriter of the security.

(d) The security is listed in a nationally recognized securities manual designated by rule of the commission or a document filed with and publicly viewable through the Securities and Exchange Commission electronic data gathering and retrieval system and contains:

1. A description of the business and operations of the issuer.

2. The names of the issuer's officers and directors, if any, or, in the case of an issuer not domiciled in the United States, the corporate equivalents of such persons in the

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issuer's country of domicile.

3. An audited balance sheet of the issuer as of a date within 18 months before such transaction or, in the case of a reorganization or merger in which parties to the reorganization or merger had such audited balance sheet, a pro forma balance sheet.

4. An audited income statement for each of the issuer's immediately preceding 2 fiscal years, or for the period of existence of the issuer, if in existence for less than 2 years or, in the case of a reorganization or merger in which the parties to the reorganization or merger had such audited income statement, a pro forma income statement.

(e)1. The issuer of the security has a class of equity securities listed on a national securities exchange registered under the Securities Exchange Act of 1934, as amended;

2. The class of security is quoted, offered, purchased, or sold through an alternative trading system registered under Securities and Exchange Commission Regulation ATS, 17 C.F.R. s. 242.301, as amended, and the issuer of the security has made current information publicly available in accordance with Securities and Exchange Commission Rule 15c2-11, 17 C.F.R. s. 240.15c2-11, as amended;

3. The issuer of the security is a unit investment trust registered under the Investment Company Act of 1940, as amended;

4. The issuer of the security has been engaged in continuous business, including predecessors, for at least 3 years; or

5. The issuer of the security has total assets of at least \$2 million based on an audited balance sheet as of a date within

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18 months before such transaction or, in the case of a reorganization or merger in which parties to the reorganization or merger had such audited balance sheet, a pro forma balance sheet.

(19) The offer or sale of any security effected by or through a person in compliance with s. 517.12(17) ~~s. 517.12(16)~~.

(20) (a) A nonissuer transaction in an outstanding security by or through a dealer registered or exempt from registration under this chapter, if, at the time of the transaction, all of the following conditions are met ~~true~~:

1. (a) The issuer is a reporting issuer in a foreign jurisdiction ~~designated by this subsection or by commission rule~~, and the issuer has been subject to continuous reporting requirements in such foreign jurisdiction for not less than 180 days before the transaction.

2. (b) The security is listed on a foreign securities exchange or foreign securities market ~~the securities exchange~~ designated ~~by this subsection or~~ by commission rule, is a security of the same issuer which is of senior or substantially equal rank to the listed security, or is a warrant or right to purchase or subscribe to any such security.

(b) The commission shall consider all of the following in designating a foreign securities exchange or foreign securities market for purposes of this subsection:

1. Organization under foreign law.

2. Association with a generally recognized community of dealers, financial institutions, or other professional intermediaries with an established operating history.

3. Oversight by a governmental or self-regulatory body.

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4. Oversight standards set by general law.

5. Reporting of securities transactions on a regular basis to a governmental or self-regulatory body.

6. A system for exchange of price quotations through common communications media.

7. An organized clearance and settlement system.

8. Listing in Securities and Exchange Commission Regulation S Rule 902, 17 C.F.R. s. 230.902, as amended.

~~For purposes of this subsection, Canada, together with its provinces and territories, is designated as a foreign jurisdiction, and Toronto Stock Exchange, Inc., is designated as a securities exchange. If, after an administrative hearing in compliance with ss. 120.569 and 120.57, the office finds that revocation is necessary or appropriate in furtherance of the public interest and for the protection of investors, it may revoke the designation of a foreign securities exchange or foreign securities market under this subsection.~~

Section 3. Subsection (10) of section 517.0612, Florida Statutes, is amended to read:

517.0612 Florida Invest Local Exemption.—

(10) The issuer must file with the office a notice of transaction on a form prescribed by commission rule, an irrevocable written consent to service of civil process similar to that provided in s. 517.101, and a copy of the disclosure statement described in subsection (8) at least the offering with the office, in writing or in electronic form, in a format prescribed by commission rule, no less than 5 business days before the offering commences, along with the disclosure

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291 ~~statement described in subsection (8).~~ If there are any material
 292 changes to the information previously submitted, the issuer
 293 must, within 3 business days after such material change, file an
 294 amended notice.

295 Section 4. Paragraph (b) of subsection (2) of section
 296 517.0614, Florida Statutes, is amended to read:

297 517.0614 Integration of offerings.—

298 (2) The integration analysis required by subsection (1) is
 299 not required if any of the following nonexclusive safe harbors
 300 apply:

301 (b) Offers and sales made in compliance with any of the
 302 following provisions are not subject to integration with other
 303 offerings:

304 1. Section 517.051 or s. 517.061, except s. 517.061(10) or
 305 (11) s. 517.061(9), (10), or (11).

306 2. Section 517.0611 or s. 517.0612.

307 Section 5. Section 517.0616, Florida Statutes, is amended
 308 to read:

309 517.0616 Disqualification.—

310 (1) A registration exemption under s. 517.061(11) s.
 311 517.061(9), (10), and (11), s. 517.0611, or s. 517.0612 is not
 312 available to an issuer if, at the time the issuer makes an offer
 313 for the sale of a security, the issuer; a predecessor of the
 314 issuer; an affiliated issuer; a director, executive officer, or
 315 other officer of the issuer participating in the offering; a
 316 general partner or managing member of the issuer; a beneficial
 317 owner of 20 percent or more of the issuer's outstanding voting
 318 equity securities, calculated on the basis of voting power; or a
 319 promoter connected with the issuer in any capacity at the time

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320 of such sale ~~that~~ would be disqualified under Securities and
 321 Exchange Commission Rule 506(d), 17 C.F.R. s. 230.506(d), as
 322 amended, ~~at the time the issuer makes an offer for the sale of a~~
 323 ~~security.~~

324 (2) The disqualification under Securities and Exchange
 325 Commission Rule 506(d), 17 C.F.R. s. 230.506(d), as amended,
 326 does not apply to any other person or entity listed in such
 327 rule.

328 Section 6. Subsection (2) of section 517.075, Florida
 329 Statutes, is amended to read:

330 517.075 Cuba, prospectus disclosure of doing business with,
 331 required.—

332 (2) Any disclosure required by subsection (1) must include:

333 (a) The name of such person, affiliate, or government with
 334 which the issuer does business and the nature of that business.†

335 (b) A statement that the information is accurate as of the
 336 date the securities were effective with the ~~United States~~
 337 Securities and Exchange Commission or with the office, whichever
 338 date is later.† ~~and~~

339 (c) A statement that current information concerning the
 340 issuer's business dealings with the government of Cuba or with
 341 any person or affiliate located in Cuba may be obtained from the
 342 office, which statement must include the address and phone
 343 number of the office.

344 Section 7. Subsection (5) and paragraph (a) of subsection
 345 (9) of section 517.081, Florida Statutes, are amended to read:

346 517.081 Registration procedure.—

347 (5) ~~All of~~ The following issuers are not eligible to submit
 348 a simplified offering circular:

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349 (a) An issuer that is subject to any of the
 350 disqualifications described in Securities and Exchange
 351 Commission Rule 262, 17 C.F.R. s. 230.262, as amended, or that
 352 has been or is engaged or is about to engage in an activity that
 353 would be grounds for denial, revocation, or suspension under s.
 354 517.111. For purposes of this paragraph, an issuer includes an
 355 issuer's director, officer, general partner, manager or managing
 356 member, trustee, or a person owning at least 10 percent of the
 357 ownership interests of the issuer; a promoter or selling agent
 358 of the securities to be offered; or any officer, director,
 359 partner, or manager or managing member of such selling agent.

360 (b) An issuer that is a development-stage company that
 361 either has no specific business plan or purpose or has indicated
 362 that its business plan is to merge with an unidentified business
 363 entity or entities.

364 (c) An issuer of offerings in which the specific business
 365 or properties cannot be described.

366 (d) An issuer that the office determines is ineligible
 367 because the simplified circular does not provide full and fair
 368 disclosure of material information for the type of offering to
 369 be registered by the issuer.

370 (9) (a) The office shall record the registration of a
 371 security in the register of securities if, upon examination of
 372 an application, it finds that all of the following requirements
 373 are met:

- 374 1. The application is complete.
- 375 2. The fee imposed in subsection (8) has been paid.
- 376 3. The sale of the security would not be fraudulent and
 377 would not work or tend to work a fraud upon the purchaser.

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378 4. The terms of the sale of such securities would be fair,
 379 just, and equitable.

380 ~~5. The enterprise or business of the issuer is not based~~
 381 ~~upon unsound business principles.~~

382 Section 8. Present subsections (7) through (22) of section
 383 517.12, Florida Statutes, are redesignated as subsections (8)
 384 through (23), respectively, a new subsection (7) is added to
 385 that section, and subsection (6), present subsection (10),
 386 paragraph (b) of present subsection (14), and present
 387 subsections (19), (20), and (21) of that section are amended, to
 388 read:

389 517.12 Registration of dealers, associated persons,
 390 intermediaries, and investment advisers.—

391 (6) The application must also contain such information as
 392 the commission or office may require about the applicant; any
 393 member, principal, or director of the applicant or any person
 394 having a similar status or performing similar functions; any
 395 person directly or indirectly controlling the applicant; or any
 396 employee of a dealer or of an investment adviser rendering
 397 investment advisory services. ~~Each applicant and any direct~~
 398 ~~owners, principals, or indirect owners that are required to be~~
 399 ~~reported on Form BD or Form ADV pursuant to subsection (14)~~
 400 ~~shall submit fingerprints for live-scan processing in accordance~~
 401 ~~with rules adopted by the commission. The fingerprints may be~~
 402 ~~submitted through a third-party vendor authorized by the~~
 403 ~~Department of Law Enforcement to provide live-scan~~
 404 ~~fingerprinting. The costs of fingerprint processing shall be~~
 405 ~~borne by the person subject to the background check. The~~
 406 ~~Department of Law Enforcement shall conduct a state criminal~~

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~~history background check, and a federal criminal history background check must be conducted through the Federal Bureau of Investigation. The office shall review the results of the state and federal criminal history background checks and determine whether the applicant meets licensure requirements. The commission may waive, by rule, the requirement that applicants, including any direct owners, principals, or indirect owners that are required to be reported on Form BD or Form ADV pursuant to subsection (14), submit fingerprints or the requirement that such fingerprints be processed by the Department of Law Enforcement or the Federal Bureau of Investigation. The commission or office may require information about any such applicant or person concerning such matters as:~~

(a) The applicant's or person's full name, and any other names by which the applicant or person may have been known, and the applicant's or person's age, social security number, photograph, qualifications, and educational and business history.

(b) Any injunction or administrative order by a state or federal agency, national securities exchange, or national securities association involving a security or any aspect of a dealer's or investment adviser's regulated business and any injunction or administrative order by a state or federal agency regulating banking, insurance, finance, or small loan companies, real estate, mortgage brokers, or other related or similar industries, which injunctions or administrative orders relate to such person.

(c) The applicant's or person's conviction of, or plea of nolo contendere to, a criminal offense or the applicant's or

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person's commission of any acts which would be grounds for refusal of an application under s. 517.161.

(d) The names and addresses of other persons of whom the office may inquire as to the applicant's or person's character, reputation, and financial responsibility.

(7)(a)1. The following persons must submit a full set of fingerprints to the Department of Law Enforcement or to a vendor, entity, or agency authorized under s. 943.053(13) for live-scan processing in accordance with rules adopted by the commission.

a. A natural person filing with the office an application for registration as an associated person.

b. A natural person who holds the title of president, treasurer, chief executive officer, chief financial officer, chief operations officer, chief legal officer, or chief compliance officer for a dealer or investment adviser applicant.

c. A natural person who is a director of a dealer or investment adviser applicant.

d. A natural person who is a trustee of a trust that owns 5 percent or more of a class of a voting security of a dealer or investment adviser applicant, or that has the right to receive upon dissolution, or has contributed, 5 percent or more of the capital of a dealer or investment adviser applicant.

e. A natural person who is a direct owner of a dealer or investment adviser applicant.

f. Each natural person who is a shareholder of a corporation that is a direct owner of a dealer or investment adviser applicant who beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 25 percent or

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465 more of a class of a voting security of such corporation. For
 466 purposes of this sub-subparagraph, a shareholder beneficially
 467 owns any securities:

468 (I) Owned by the shareholder's child, stepchild,
 469 grandchild, parent, stepparent, grandparent, spouse, sibling,
 470 mother-in-law, father-in-law, son-in-law, daughter-in-law,
 471 brother-in-law, or sister-in-law sharing the same residence; or

472 (II) That the shareholder has the right to acquire, within
 473 60 days, through the exercise of any option, warrant, or right
 474 to purchase the securities.

475 g. Each natural person who is a general partner of, and
 476 each natural person who is a limited partner or special partner
 477 of, a partnership that is a direct owner of a dealer or
 478 investment adviser applicant who has the right to receive upon
 479 dissolution, or has contributed, 25 percent or more of such
 480 partnership's capital.

481 h. Each natural person who is a member of a limited
 482 liability company that is a direct owner of a dealer or
 483 investment adviser applicant who has the right to receive upon
 484 dissolution, or has contributed, 25 percent or more of such
 485 limited liability company's capital, and, if such limited
 486 liability company is managed by elected managers, each elected
 487 manager.

488 2. For purposes of this paragraph, the term "direct owner"
 489 means:

490 a. A shareholder who owns 5 percent or more of a class of
 491 voting securities of a dealer or investment adviser applicant,
 492 and includes any person who owns, beneficially owns, has the
 493 right to vote, or has the power to sell or direct the sale of, 5

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494 percent or more of a class of a voting security of the dealer or
 495 investment adviser applicant. For purposes of this sub-
 496 paragraph, a person beneficially owns any securities:

497 (I) Owned by the shareholder's child, stepchild,
 498 grandchild, parent, stepparent, grandparent, spouse, sibling,
 499 mother-in-law, father-in-law, son-in-law, daughter-in-law,
 500 brother-in-law, or sister-in-law sharing the same residence; or

501 (II) That the shareholder has the right to acquire, within
 502 60 days, through the exercise of any option, warrant, or right
 503 to purchase the securities.

504 b. Each general partner and each limited partner or special
 505 partner of a dealer or investment adviser applicant who has the
 506 right to receive upon dissolution, or has contributed, 5 percent
 507 or more of the capital of a dealer or investment adviser
 508 applicant.

509 c. A member who has the right to receive upon dissolution,
 510 or has contributed, 5 percent or more of the capital of a dealer
 511 or investment adviser applicant, and all elected managers of a
 512 dealer or investment adviser applicant.

513 (b) A vendor, entity, or agency authorized under s.
 514 943.053(13) to submit fingerprints electronically to the
 515 Department of Law Enforcement shall submit the fingerprints to
 516 the department for state processing, and the department shall
 517 forward the fingerprints to the Federal Bureau of Investigation
 518 for national processing.

519 (c) Fees for state and federal fingerprint processing shall
 520 be borne by the person subject to the criminal history record
 521 check. The state cost for fingerprint processing shall be as
 522 provided in s. 943.053(3)(e).

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(d) The office shall review the results of the state and federal criminal history record checks and determine whether the applicant is disqualified from registration. The commission may waive by rule the requirement that the persons listed in this subsection submit fingerprints or the requirement that such fingerprints be processed by the Department of Law Enforcement or the Federal Bureau of Investigation.

(11) (a) ~~(10) (a)~~ If the office finds that the applicant has complied with the applicable registration provisions of this chapter and the rules made pursuant hereto, it shall register the applicant unless the applicant is otherwise disqualified for registration pursuant to law. The registration of each dealer, investment adviser, and associated person expires on December 31 of the year the registration became effective unless the registrant has renewed its registration on or before that date. Registration may be renewed by furnishing such information as the commission may require, together with payment of the fee required in paragraph (10) (a) ~~(9) (a)~~ for dealers, investment advisers, or associated persons and the payment of any amount lawfully due and owing to the office pursuant to any order of the office or pursuant to any agreement with the office. Any dealer, investment adviser, or associated person who has not renewed a registration by the time the current registration expires may request reinstatement of such registration by filing with the office, on or before January 31 of the year following the year of expiration, such information as may be required by the commission, together with payment of the fee required in paragraph (10) (a) ~~(9) (a)~~ for dealers, investment advisers, or associated persons and a late fee equal to the amount of such

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fee. Any reinstatement of registration granted by the office during the month of January shall be deemed effective retroactive to January 1 of that year.

(b) The office shall waive the \$50 assessment fee for an associated person required by paragraph (10) (a) ~~(9) (a)~~ for a registrant renewing his or her registration who:

1. Is an active duty member of the United States Armed Forces or the spouse of such member;

2. Is or was a member of the United States Armed Forces and served on active duty within the 2 years preceding the expiration date of the registration pursuant to paragraph (a). To qualify for the fee waiver, a registrant who is a former member of the United States Armed Forces who served on active duty within the 2 years preceding the expiration date of the registration must have received an honorable discharge upon separation or discharge from the United States Armed Forces; or

3. Is the surviving spouse of a member of the United States Armed Forces if the member was serving on active duty at the time of death and died within the 2 years preceding the surviving spouse's registration expiration date pursuant to paragraph (a).

A registrant seeking such fee waiver must submit proof, in a form prescribed by commission rule, that the registrant meets one of the qualifications in this paragraph.

(15) ~~(14)~~

(b) In lieu of filing with the office the applications specified in subsection (5), the fees required by subsection (10) ~~(9)~~, the renewals required by subsection (11) ~~(10)~~, and the

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581 termination notices required by subsection (12) ~~(41)~~, the
 582 commission may by rule establish procedures for the deposit of
 583 such fees and documents with the Central Registration Depository
 584 or the Investment Adviser Registration Depository of the
 585 Financial Industry Regulatory Authority, as developed under
 586 contract with the North American Securities Administrators
 587 Association, Inc.

588 ~~(20)(19)~~ An intermediary may not engage in business in this
 589 state unless the intermediary is registered as a dealer or as an
 590 intermediary with the office pursuant to this section to
 591 facilitate the offer or sale of securities in accordance with s.
 592 517.0611. An intermediary, in order to obtain registration, must
 593 file with the office a written application on a form prescribed
 594 by commission rule and pay a registration fee of \$200. The fees
 595 under this subsection shall be deposited into the Regulatory
 596 Trust Fund of the office. The commission may establish by rule
 597 procedures for depositing fees and filing documents by
 598 electronic means if such procedures provide the office with the
 599 information and data required by this section. Each intermediary
 600 must also file an irrevocable written consent to service of
 601 civil process, as provided in s. 517.101.

602 (a) The application must contain such information as the
 603 commission or office may require concerning:

- 604 1. The name of the applicant and address of its principal
 605 office and each office in this state.
- 606 2. The applicant's form and place of organization; and, if
 607 the applicant is:
 608 a. A corporation, a copy of its articles of incorporation
 609 and amendments to the articles of incorporation;

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610 b. A limited liability company, a copy of its articles of
 611 organization and amendments to the articles and a copy of the
 612 company's operating agreement as may be amended; or

613 c. A partnership, a copy of the partnership agreement.

614 3. The website address where securities of the issuer will
 615 be offered.

616 4. Contact information.

617 (b) The application must also contain such information as
 618 the commission may require by rule about the applicant; any
 619 member, principal, or director of the applicant or any person
 620 having a similar status or performing similar functions; or any
 621 persons directly or indirectly controlling the applicant. ~~Each~~
 622 ~~applicant and any direct owners, principals, or indirect owners~~
 623 ~~that are required to be reported on a form adopted by commission~~
 624 ~~rule shall submit fingerprints for live-scan processing in~~
 625 ~~accordance with rules adopted by the commission. The~~
 626 ~~fingerprints may be submitted through a third-party vendor~~
 627 ~~authorized by the Department of Law Enforcement to provide live-~~
 628 ~~scan fingerprinting. The costs of fingerprint processing shall~~
 629 ~~be borne by the person subject to the background check. The~~
 630 ~~Department of Law Enforcement shall conduct a state criminal~~
 631 ~~history background check, and a federal criminal history~~
 632 ~~background check must be conducted through the Federal Bureau of~~
 633 ~~Investigation. The office shall review the results of the state~~
 634 ~~and federal criminal history background checks and determine~~
 635 ~~whether the applicant meets registration requirements. The~~
 636 ~~commission may waive, by rule, the requirement that applicants,~~
 637 ~~including any direct owners, principals, or indirect owners,~~
 638 ~~which are required to be reported on a form adopted by~~

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639 ~~commission rule, submit fingerprints or the requirement that~~
 640 ~~such fingerprints be processed by the Department of Law~~
 641 ~~Enforcement or the Federal Bureau of Investigation. The~~
 642 commission, by rule, or the office may require information about
 643 any applicant or person, including:

644 1. The applicant's or person's full name and any other
 645 names by which the applicant or person may have been known and
 646 the applicant's or person's age, social security number,
 647 photograph, qualifications, and educational and business
 648 history.

649 2. Any injunction or administrative order by a state or
 650 federal agency, national securities exchange, or national
 651 securities association involving a security or any aspect of an
 652 intermediary's regulated business and any injunction or
 653 administrative order by a state or federal agency regulating
 654 banking, insurance, finance, real estate, mortgage brokers, or
 655 other related or similar industries, which relate to such
 656 person.

657 3. The applicant's or person's conviction of, or plea of
 658 nolo contendere to, a criminal offense or the applicant's or
 659 person's commission of any acts that would be grounds for
 660 refusal of an application under s. 517.161.

661 (c)1. The following natural persons must submit a full set
 662 of fingerprints to the Department of Law Enforcement or to a
 663 vendor, entity, or agency authorized under s. 943.053(13) for
 664 live-scan processing in accordance with rules adopted by the
 665 commission:

666 a. A person filing with the office an application for
 667 registration as an intermediary.

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668 b. A person who holds the title of president, treasurer,
 669 chief executive officer, chief financial officer, chief
 670 operations officer, chief legal officer, or chief compliance
 671 officer for an intermediary applicant.

672 c. A person who is a member of the intermediary applicant's
 673 board of directors.

674 d. A person who is a trustee of a trust that owns 5 percent
 675 or more of a class of a voting security of the intermediary
 676 applicant, or that has the right to receive upon dissolution, or
 677 has contributed, 5 percent or more of the intermediary
 678 applicant's capital.

679 e. A person who is a direct owner of an intermediary
 680 applicant.

681 f. Each person who is a shareholder of a corporation that
 682 is a direct owner of an intermediary applicant who beneficially
 683 owns, has the right to vote, or has the power to sell or direct
 684 the sale of, 25 percent or more of a class of a voting security
 685 of such corporation. For purposes of this sub-subparagraph, a
 686 shareholder beneficially owns any securities:

687 (I) Owned by the shareholder's child, stepchild,
 688 grandchild, parent, stepparent, grandparent, spouse, sibling,
 689 mother-in-law, father-in-law, son-in-law, daughter-in-law,
 690 brother-in-law, or sister-in-law sharing the same residence; or

691 (II) That the shareholder has the right to acquire, within
 692 60 days, through the exercise of any option, warrant, or right
 693 to purchase the securities.

694 g. Each person who is a general partner and each natural
 695 person who is a limited partner or special partner of a
 696 partnership that is a direct owner of an intermediary applicant

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who has the right to receive upon dissolution, or have contributed, 25 percent or more of such partnership's capital.

h. Each person who is a member of a limited liability company that is a direct owner of an intermediary applicant who has the right to receive upon dissolution, or has contributed, 25 percent or more of such limited liability company's capital, and, if such limited liability company is managed by elected managers, each elected manager.

2. For purposes of this paragraph, the term "direct owner" means:

a. A shareholder who owns 5 percent or more of a class of voting securities of an intermediary applicant, and includes any person who owns, beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 5 percent or more of a class of a voting security of the intermediary applicant. For purposes of this sub-subparagraph, a person beneficially owns any securities:

(I) Owned by the shareholder's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law sharing the same residence; or

(II) That the shareholder has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the securities.

b. Each general partner and each limited partner or special partner of an intermediary applicant who has the right to receive upon dissolution, or has contributed, 5 percent or more of the intermediary applicant's capital.

c. A member who has the right to receive upon dissolution,

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or has contributed, 5 percent or more of the intermediary applicant's capital, and, if managed by elected managers, each elected manager.

(d) The vendor, entity, or agency authorized under s. 943.053(13) to submit fingerprints electronically to the Department of Law Enforcement shall submit the fingerprints to the department for state processing, and the department shall forward the fingerprints to the Federal Bureau of Investigation for national processing.

(e) Fees for state and federal fingerprint processing shall be borne by the person subject to the criminal history record check. The state cost for fingerprint processing shall be as provided in s. 943.053(3)(e).

(f) The office shall review the results of the state and federal criminal history record checks and determine whether the applicant is disqualified from registration. The commission may waive by rule the requirement that applicants, including any persons listed in sub-subparagraphs (c)1.b.-g., submit fingerprints or the requirement that such fingerprints be processed by the Department of Law Enforcement or the Federal Bureau of Investigation.

~~(g)-(e)~~ The application must be amended within 30 days if any information contained in the form becomes inaccurate for any reason.

~~(h)-(d)~~ An intermediary or persons affiliated with the intermediary are not subject to any disqualification described in s. 517.1611 or Securities and Exchange Commission Rule 506(d), 17 C.F.R. 230.506(d), adopted pursuant to the Securities Act of 1933, as amended. Each director, officer, manager or

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managing member, control person of the issuer, any person occupying a similar status or performing a similar function, and each person holding more than 20 percent of the ownership interests of the intermediary is subject to this requirement.

~~(i)-(e)~~ If the office finds that the applicant has complied with the applicable registration provisions of this chapter and the rules adopted thereunder, it shall register the applicant. The registration of each intermediary expires on December 31 of the year the registration became effective unless the registrant renews his or her registration on or before that date. Registration may be renewed by furnishing such information as the commission may require by rule, together with payment of a \$200 fee and the payment of any amount due to the office pursuant to any order of the office or pursuant to any agreement with the office. An intermediary who has not renewed a registration by the time that the current registration expires may request reinstatement of such registration by filing with the office, on or before January 31 of the year following the year of expiration, such information as required by the commission, together with payment of the \$200 fee and a late fee of \$200. Any reinstatement of registration granted by the office during the month of January is deemed effective retroactive to January 1 of that year.

~~(21)-(20)~~ 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(30)(g) ~~s. 517.021(25)(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

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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.

~~(22)(a)-(21)-(a)~~ As used in this subsection, the term:

1. "Broker" has the same meaning as "dealer" as defined in s. 517.021.

2. "Business combination related shell company" means a shell company that is formed by an entity that is not a shell company solely for the purpose of:

a. Changing the corporate domicile of the entity solely within the United States; or

b. Completing a business combination transaction, as defined in 17 C.F.R. s. 230.165(f), among one or more entities other than the company itself, none of which is a shell company.

~~3.2-~~ "Control person" means a person ~~an individual or entity~~ that possesses the power, directly or indirectly, to direct the management or policies of a company through ownership of securities, by contract, or otherwise. A person is presumed to be a control person of a company if, upon completion of a transaction, the buyer or group of buyers with respect to a particular company, the person:

a. ~~Is a director, a general partner, a member, or a manager of a limited liability company, or is an officer who exercises executive responsibility or has a similar status or function;~~

~~a.b-~~ Has the power to vote 25 ~~20~~ percent or more of a class of voting securities or has the power to sell or direct the sale of 25 ~~20~~ percent or more of a class of voting securities; or

~~b.e-~~ In the case of a partnership or limited liability

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company, may receive upon dissolution, or has contributed, 25 ~~20~~ percent or more of the capital.

~~4.3-~~ "Eligible privately held company" means a privately held company that meets all of the following conditions:

a. The company does not have any class of securities which is registered, or which is required to be registered, with the ~~United States~~ Securities and Exchange Commission under the Securities Exchange Act of 1934, 15 U.S.C. ss. 78a et seq., as amended, or with the office under s. 517.07, or for which the company files, or is required to file, summary and periodic information, documents, and reports under s. 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. s. 78o(d), as amended.

b. In the fiscal year immediately preceding the fiscal year during which the merger and acquisition broker begins to provide services for the securities transaction, the company, in accordance with its historical financial accounting records, has earnings before interest, taxes, depreciation, and amortization of less than \$25 million or has gross revenues of less than \$250 million. On July 1, 2021, and every 5 years thereafter, each dollar amount in this sub-subparagraph shall be adjusted by dividing the annual value of the Employment Cost Index for wages and salaries for private industry workers, or any successor index, as published by the Bureau of Labor Statistics, for the calendar year preceding the calendar year in which the adjustment is being made, by the annual value of such index or successor index for the calendar year ending December 31, 2020 ~~2012~~, and multiplying such dollar amount by the quotient obtained. Each dollar amount determined under this sub-

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subparagraph shall be rounded to the nearest multiple of \$100,000. The commission may by rule modify the dollar figures if the commission determines that such a modification is necessary or appropriate in the public interest or for the protection of investors.

~~5.4-~~ "Merger and acquisition broker" means a any ~~any~~ broker and any person associated with a broker engaged in the business of effecting securities transactions solely in connection with the transfer of ownership of an eligible privately held company, regardless of whether the ~~that~~ broker acts on behalf of a seller or buyer, through the purchase, sale, exchange, issuance, repurchase, or redemption of, or a business combination involving, securities or assets of the eligible privately held company.

~~6.5-~~ "Public Shell company" means a company that at the time of a transaction with an eligible privately held company:

~~a. Has any class of securities which is registered, or which is required to be registered, with the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, 15 U.S.C. ss. 78a et seq., or with the office under s. 517.07, or for which the company files, or is required to file, summary and periodic information, documents, and reports under s. 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. s. 78o(d);~~

~~a.b-~~ Has nominal or no operations, ~~and~~

~~b.e-~~ Has nominal assets or no assets, assets consisting solely of cash and cash equivalents, or assets consisting of any amount of cash and cash equivalents and nominal other assets.

(b) Prior to the completion of any securities transaction

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described in s. 517.061(7), a merger and acquisition broker must receive written assurances from the control person with the largest percentage of ownership for both the buyer and seller engaged in the transaction that:

1. After the transaction is completed, any person who acquires securities or assets of the eligible privately held company, acting alone or in concert, will be a control person of the eligible privately held company or will be a control person for the business conducted with the assets of the eligible privately held company, ~~and~~

2. After the transaction is completed, any person who acquires securities or assets of the eligible privately held company, acting alone or in concert, will be active in the management of the eligible privately held company or the business conducted with the assets of the eligible privately held company, and active in the management of the assets of the eligible privately held company, by engaging in acts and activities that include, but are not limited to, the following:

a. Electing executive officers.

b. Approving the annual budget.

c. Serving as an executive or other executive manager.

d. Carrying out such other activities as the commission may by rule determine to be in the public interest.

~~3.2-~~ If any person is offered securities in exchange for securities or assets of the eligible privately held company, such person will, before becoming legally bound to complete the transaction, receive or be given reasonable access to the most recent year-end financial statements of the issuer of the securities offered in exchange. The most recent year-end

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financial statements shall be customarily prepared by the issuer's management in the normal course of operations. If the financial statements of the issuer are audited, reviewed, or compiled, the most recent year-end financial statements must include any related statement by the independent certified public accountant; a balance sheet dated not more than 120 days before the date of the exchange offer; and information pertaining to the management, business, results of operations for the period covered by the foregoing financial statements, and material loss contingencies of the issuer.

(c) A merger and acquisition broker engaged in a transaction exempt under s. 517.061(7) is exempt from registration under this section unless the merger and acquisition broker:

1. Directly or indirectly, in connection with the transfer of ownership of an eligible privately held company, receives, holds, transmits, or has custody of the funds or securities to be exchanged by the parties to the transaction;

2. Engages on behalf of an issuer in a public offering of any class of securities which is registered, or which is required to be registered, with the ~~United States~~ Securities and Exchange Commission under the Securities Exchange Act of 1934, 15 U.S.C. ss. 78a et seq., as amended, or with the office under s. 517.07; or for which the issuer files, or is required to file, periodic information, documents, and reports under s. 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. s. 78o(d), as amended;

3. Engages on behalf of any party in a transaction involving a ~~public~~ shell company, other than a business

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combination related shell company;

4. Directly, or indirectly through any of its affiliates, provides financing related to the transfer of ownership of an eligible privately held company;

5. Assists any party to obtain financing from an unaffiliated third party without:

a. Complying with all other applicable laws in connection with such assistance, including, if applicable, Regulation T under 12 C.F.R. ss. 220 et seq., as amended; and

b. Disclosing any compensation in writing to the party;

6. Represents both the buyer and the seller in the same transaction without providing clear written disclosure as to the parties the broker represents and obtaining written consent from both parties to the joint representation;

7. Facilitates a transaction with a group of buyers formed with the assistance of the merger and acquisition broker to acquire the eligible privately held company;

8. Engages in a transaction involving the transfer of ownership of an eligible privately held company to a passive buyer or group of passive buyers;

9. Binds a party to a transfer of ownership of an eligible privately held company; or

10. Is subject to, or an officer, director, member, manager, partner, or employee of the broker is subject to, the following disciplinary actions:

a. Has been barred from association with a broker or dealer by the Securities and Exchange Commission, any state, or any self-regulatory organization; or

b. Is suspended from association with a broker or dealer.

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~~4. Is subject to a suspension or revocation of registration under s. 15(b)(4) of the Securities Exchange Act of 1934, 15 U.S.C. s. 78o(b)(4);~~

~~5. Is subject to a statutory disqualification described in s. 3(a)(39) of the Securities Exchange Act of 1934, 15 U.S.C. s. 78e(a)(39);~~

~~6. Is subject to a disqualification under the United States Securities and Exchange Commission Rule 506(d), 17 C.F.R. s. 230.506(d); or~~

~~7. Is subject to a final order described in s. 15(b)(4)(H) of the Securities Exchange Act of 1934, 15 U.S.C. s. 78o(b)(4)(H);~~

Section 9. Subsection (1), paragraph (a) of subsection (2), and subsections (3) and (5) of section 517.131, Florida Statutes, are amended to read:

517.131 Securities Guaranty Fund.—

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

(a) "Final judgment" includes an arbitration award confirmed by a court of competent jurisdiction.

(b) "Restitution order" means a court order awarding a specified monetary amount to a named aggrieved person for a violation of s. 517.07 or s. 517.301 to be paid by a named violator.

(2)(a) The Chief Financial Officer shall establish a Securities Guaranty Fund to provide monetary relief to victims of securities violations under this chapter who are entitled to monetary damages or restitution and cannot recover the full amount of such monetary damages or restitution from the wrongdoer. An amount not exceeding 20 percent of all revenues

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received as assessment fees pursuant to s. 517.12(10) and (11)
~~s. 517.12(9) and (10)~~ for dealers and investment advisers or s.
 517.1201 for federal covered advisers and an amount not
 exceeding 10 percent of all revenues received as assessment fees
 pursuant to s. 517.12(10) and (11) ~~s. 517.12(9) and (10)~~ for
 associated persons must be part of the regular registration
 license fee and must be transferred to or deposited in the
 Securities Guaranty Fund.

(3) A person is eligible for payment from the Securities
 Guaranty Fund if the person:

(a)1. Is a judgment creditor in ~~Holds~~ an unsatisfied final
 judgment or a named beneficiary or victim in an unsatisfied
restitution order entered on or after October 1, 2024, in which
 a wrongdoer was found to have violated s. 517.07 or s. 517.301;

2. Has applied any amount recovered from the judgment
 debtor, a person ordered to pay restitution, or any other source
 to the damages awarded in a final judgment or restitution order
~~by the court or arbitrator~~; and

3. Is a natural person who was a resident of this state, or
 is a business entity that was domiciled in this state, at the
 time of the violation of s. 517.07 or s. 517.301; or

(b) Is a receiver appointed pursuant to s. 517.191(2) by a
 court of competent jurisdiction for a wrongdoer ordered to pay
 restitution under s. 517.191(3) as a result of a violation of s.
 517.07 or s. 517.301 which has requested payment from the
 Securities Guaranty Fund on behalf of a person eligible for
 payment under paragraph (a).

If a person holds an unsatisfied final judgment or restitution

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order entered before October 1, 2024, in which a wrongdoer was
 found to have violated s. 517.07 or s. 517.301, such person's
 claim for payment from the Securities Guaranty Fund shall be
 governed by the terms of this section and s. 517.141 which were
 effective on the date of such final judgment or restitution
order.

(5) An eligible person, or a receiver on behalf of the
 eligible person, seeking payment from the Securities Guaranty
 Fund must file with the office a written application on a form
 that the commission may prescribe by rule. The commission may
 adopt by rule procedures for filing documents by electronic
 means, provided that such procedures provide the office with the
 information and data required by this section. The application
 must be filed with the office within 1 year after the date of
 the final judgment, the date on which a restitution order has
 been ripe for execution, or the date of any appellate decision
 thereon, and, at minimum, must contain all of the following
 information:

(a) The eligible person's and, if applicable, the
 receiver's full names, addresses, and contact information.

(b) The name of the judgment debtor or person ordered to
 pay restitution.

(c) If the eligible person is a business entity, the
 eligible person's type and place of organization and, as
 applicable, a copy, as amended, of its articles of
 incorporation, articles of organization, trust agreement, or
 partnership agreement.

(d) A copy of any final judgment or ~~and a copy thereof~~.

~~(e) Any restitution order pursuant to s. 517.191(3), and a~~

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1045 ~~copy thereof.~~

1046 ~~(e)(f)~~ An affidavit from the eligible person stating either
1047 one of the following:

1048 1. That the eligible person has made all reasonable
1049 searches and inquiries to ascertain whether the judgment debtor
1050 or person ordered to pay restitution possesses real or personal
1051 property or other assets subject to being sold or applied in
1052 satisfaction of the final judgment or restitution order and, by
1053 the eligible person's search, that the eligible person has not
1054 discovered any property or assets.

1055 2. That the eligible person has taken necessary action on
1056 the property and assets of the wrongdoers but the final judgment
1057 or restitution order remains unsatisfied.

1058 ~~(f)(g)~~ If the application is filed by the receiver, an
1059 affidavit from the receiver stating the amount of restitution
1060 owed to the eligible person on whose behalf the claim is filed;
1061 the amount of any money, property, or assets paid to the
1062 eligible person on whose behalf the claim is filed by the person
1063 over whom the receiver is appointed; and the amount of any
1064 unsatisfied portion of any eligible person's restitution order
1065 ~~of restitution.~~

1066 ~~(g)(h)~~ The eligible person's residence or domicile at the
1067 time of the violation of s. 517.07 or s. 517.301 which resulted
1068 in the eligible person's monetary damages.

1069 ~~(h)(i)~~ The amount of any unsatisfied portion of the
1070 eligible person's final judgment or restitution order.

1071 ~~(i)(j)~~ Whether an appeal ~~or motion to vacate an arbitration~~
1072 ~~award~~ has been filed.

1073 Section 10. Subsection (3) of section 517.301, Florida

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1074 Statutes, is amended to read:

1075 517.301 Fraudulent transactions; falsification or
1076 concealment of facts.—

1077 (3) It is unlawful for a person in issuing or selling a
1078 security within this state, including a security exempted under
1079 s. 517.051 and including a transaction exempted under s.
1080 517.061, s. 517.0611, or s. 517.0612, to misrepresent that such
1081 security or person business entity has been guaranteed,
1082 sponsored, recommended, or approved by the state or an agency or
1083 officer of the state or by the United States or an agency or
1084 officer of the United States.

1085 Section 11. Subsection (1) of section 517.211, Florida
1086 Statutes, is amended to read:

1087 517.211 Private remedies available in cases of unlawful
1088 sale.—

1089 (1) Every sale made in violation of either s. 517.07 or s.
1090 517.12(1), (3), (4), (9), (11), (13), (16), or (18) ~~or~~
1091 ~~517.12(1), (3), (4), (8), (10), (12), (15), or (17)~~ may be
1092 rescinded at the election of the purchaser; however, a sale made
1093 in violation of the provisions of s. 517.1202(3) relating to a
1094 renewal of a branch office notification or in violation of the
1095 provisions of s. 517.12(13) ~~s. 517.12(12)~~ relating to filing a
1096 change of address amendment is not subject to this section. Each
1097 person making the sale and every director, officer, partner, or
1098 agent of or for the seller, if the director, officer, partner,
1099 or agent has personally participated or aided in making the
1100 sale, is jointly and severally liable to the purchaser in an
1101 action for rescission, if the purchaser still owns the security,
1102 or for damages, if the purchaser has sold the security. No

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purchaser otherwise entitled will have the benefit of this subsection who has refused or failed, within 30 days after receipt, to accept an offer made in writing by the seller, if the purchaser has not sold the security, to take back the security in question and to refund the full amount paid by the purchaser or, if the purchaser has sold the security, to pay the purchaser an amount equal to the difference between the amount paid for the security and the amount received by the purchaser on the sale of the security, together, in either case, with interest on the full amount paid for the security by the purchaser at the legal rate, pursuant to s. 55.03, for the period from the date of payment by the purchaser to the date of repayment, less the amount of any income received by the purchaser on the security.

Section 12. Subsection (2) of section 517.315, Florida Statutes, is amended to read:

517.315 Fees.—All fees of any nature collected by the office pursuant to this chapter shall be disbursed as follows:

(2) After the transfer required in subsection (1), the office shall transfer the \$50 assessment fee collected from each associated person under s. 517.12(10) and (11) ~~s. 517.12(9) and (10)~~ and 30.44 percent of the \$100 assessment fee paid by dealers and investment advisers for each office in the state under s. 517.12(10) and (11) ~~s. 517.12(9) and (10)~~ to the Regulatory Trust Fund.

Section 13. This act shall take effect upon becoming a law.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Agriculture, *Chair*
Appropriations Committee on Agriculture, Environment,
and General Government
Appropriations Committee on Transportation,
Tourism, and Economic Development
Banking and Insurance
Fiscal Policy
Military and Veterans Affairs, Space, and
Domestic Security
Transportation

SENATOR KEITH TRUENOW

13th District

March 3, 2025

Senator Blaise Ingoglia
306 Senate Office Building
404 So Monroe Street
Tallahassee, FL 32399

Dear Chair Ingoglia,

I would like to request SB 988 Securities be placed on the next available Banking & Insurance agenda.

This good bill revises the circumstances under which securities transactions are exempt from registration requirements.

I appreciate your favorable consideration.

Sincerely,

A handwritten signature in blue ink that reads "Keith Truenow".

Senator Keith Truenow
Senate District 13

KT/dd

cc: James Knudson, Staff Director
Amaura Canty, Administrative Assistant

REPLY TO:

- ☐ Lake County Agricultural Center, 1951 Woodlea Road, Tavares, Florida 32778 (352) 750-3133
- ☐ 16207 State Road 50, Suite 401, Clermont, Florida 34711
- ☐ 304 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5013

Senate's Website: www.flsenate.gov

BEN ALBRITTON
President of the Senate

JASON BRODEUR
President Pro Tempore

3/10/2025

Meeting Date

Committee on Banking and Insurance

Committee

Name **Sean Stafford**

Phone **8507275000**

Address **115 East Park Ave**

Street

Tallahassee

City

FL

State

32301

Zip

Email **sstafford@mwcllc.com**

The Florida Senate
APPEARANCE RECORD

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

SB 988

Bill Number or Topic

Amendment Barcode (if applicable)

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

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:

Florida Securities Dealers Association

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

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

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S-001 (08/10/2021)

3/10/25

Meeting Date

Bd I

Committee

The Florida Senate

APPEARANCE RECORD

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988

Bill Number or Topic

Amendment Barcode (if applicable)

Name

Ash Mason

Phone

ash.mason@flsfr.gov

Address

200 E. Gaines St.

Email

(850) 410-9789

Street

Tally

FL

32399

City

State

Zip

Speaking:

☐

For

☐

Against

☐

Information

OR

Waive Speaking:

☒

In Support

☐

Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐

I am appearing without
compensation or sponsorship.

☒

I am a registered lobbyist,
representing:

FL Office of Financial Regulation

☐

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

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

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

S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

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3/10/25
Meeting Date
Q. B. T.

958
Bill Number or Topic

Committee

Amendment Barcode (if applicable)

Name Anthony DiMarco

Phone 850-224-2265

Address 1001 Townville Rd

Email adimarco@floridabankers.com

Street

Tallahassee FL 32303

City State Zip

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

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without compensation or sponsorship.

☒ I am a registered lobbyist, representing:

Florida Bankers Association

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

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

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

S-001 (08/10/2021)

COMMITTEE: Banking and Insurance
ITEM: SB 988
FINAL ACTION: Favorable with Committee Substitute
MEETING DATE: Monday, March 10, 2025
TIME: 1:30—3:30 p.m.
PLACE: 412 Knott Building

[illegible]

CODES: FAV=Favorable
UNF=Unfavorable
-R=Reconsidered

RCS=Replaced by Committee Substitute
RE=Replaced by Engrossed Amendment
RS=Replaced by Substitute Amendment

TP=Temporarily Postponed
VA=Vote After Roll Call
VC=Vote Change After Roll Call

WD=Withdrawn
OO=Out of Order
AV=Abstain from Voting

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: CS/SB 1078

INTRODUCER: Banking and Insurance Committee and Senator McClain

SUBJECT: Fire Prevention

DATE: March 11, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Moody	Knudson	BI	Fav/CS
2.			CA	
3.			RC	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1078 clarifies the simplified permitting process for certain fire alarm and fire sprinkler system projects and enhances several key provisions relating to fire system and fire alarm permitting, inspection processes, and enforcement of local ordinances.

Simplified Permitting Process for Certain Fire Alarm and Sprinkler System Projects

- Requires local governments to establish a simplified permitting process that complies with the minimum requirements of the Florida Building Code's (Building Code) simplified permitting process for fire alarm or sprinkler system projects of 20 or fewer alarm devices or sprinklers.
- Specifies deadlines for permit issuances and inspections and removes the requirement for a local enforcement agency to perform at least one inspection.
- Allows a contractor to commence work that is authorized by the permit immediately after submission of a completed application.
- Clarifies that a contractor's requirement to make fire alarm project plans and specifications available to the inspector at each inspection must be made available for an onsite plans review of them.
- Requires a contractor to provide copies of any documentation requested from the local enforcement agency for recording purposes within a specified time and prohibits such agency from requiring documentation for areas or devices outside the scope of permitted work.
- Requires a local government who fails to comply with certain deadlines to refund a specified amount of the permit fee unless an exception applies.

- Amends the definition subsection which clarifies the scope of when the simplified permitting process applies.

Ordinance Compliance

- Provides that amendments adopted by local governments which do not comply with the Florida Fire Prevention Code (Fire Prevention Code) are null and void.
- Provides that a municipality may enforce only an ordinance that has been sent to the Florida Building Commission and the State Fire Marshall as of the date that the bid for permit was submitted.

Inspection Report Improvements

- Amends the information required to be included in a uniform summary inspection report for fire protection system and hydrant inspections to require only the total quantity of deficiencies instead of brief descriptions of each.

The bill provides an effective date of July 1, 2025.

II. Present Situation:

Florida Division of the State Fire Marshal

State law on fire prevention and control is provided in Chapter 633, F.S. Section 633.104, F.S., designates the Chief Financial Officer as the State Fire Marshal, operating through the Division of the State Fire Marshal (Division).¹ Pursuant to this authority, the State Fire Marshal regulates, trains, and certifies fire service personnel; conducts firesafety inspections of state property; develops firesafety standards; provides facilities for the analysis of fire debris; and operates the Florida State Fire College.²

The Division consists of two bureaus: Bureau of Fire Prevention and Bureau of Fire Standards and Training.³ The Inspections Section, under the Bureau of Fire Prevention, annually inspects more than 14,000 state-owned buildings and facilities. The State Fire Marshal adopts by rule the Florida Code, which contains or references all firesafety laws and rules regarding public and private buildings. The Inspections Section is responsible for enforcing the Fire Prevention Code which contains more than 200 fire safety standards.⁴

¹ The head of the Department of Financial Services (DFS) is the Chief Financial Officer. Section 633.102(5), F.S., provides the Division of State Fire Marshal is located within the DFS.

² Division of State Fire Marshal, *State Fire Marshal*, available at [Florida's State Fire Marshal](#) (last visited Mar. 3, 2025).

³ *Id.*

⁴ Division of State Fire Marshal, *Inspections*, available at [Inspections | Bureau of Fire Prevention | Florida's State Fire Marshal](#) (last visited Mar. 3, 2025).

Fire Alarm and Fire Sprinkler System Projects

In 2022, the Legislature enacted s. 553.7932, F.S., to create a simplified permitting process for fire alarm system projects⁵ altering 20 or fewer initiating and notification devices, streamlining processing time by eliminating any requirement for a local enforcement agency to review plans prior to a contractor⁶ starting work.⁷ In 2023, the section was amended to apply the simplified permitting process to fire sprinkler system projects⁸ that alter 20 or fewer sprinklers. The law prohibits a local enforcement agency from requiring a contractor to submit plans or specifications in order to obtain a permit for certain fire alarm or fire sprinkler system projects but preserves the agency's authority to require a permit application and permit fee.⁹

A local enforcement agency must:

- Issue a permit for a fire alarm or fire sprinkler system project in person or electronically.¹⁰ Current law does not prescribe a deadline for which the local enforcement agency must issue the permit.
- Require at least one inspection to ensure the work complies with the applicable codes and standards, and if a fire alarm or fire sprinkler system project fails an inspection, the contractor must take corrective action to pass inspection.¹¹

The contractor must keep a copy of the plans and specifications at the fire alarm or fire sprinkler system project worksite and make them available to the inspector at each inspection.¹² Current law does not specify that the purpose of making them available is for an onsite plan review.

Fire Prevention and Control

State law requires all municipalities, counties, and special districts with fire safety responsibilities to enforce the Fire Prevention Code as the minimum fire prevention code to operate uniformly among local governments and in conjunction with the Building Code. Each county, municipality, and special district with fire safety enforcement responsibilities must

⁵ Section 553.7932(1)(c), F.S., defines a "fire alarm system project" as a fire alarm system alteration of a total of 20 or fewer initiating devices and notification devices, or the installation or replacement of a fire communicator connected to an existing fire alarm control panel in an existing commercial, residential, apartment, cooperative, or condominium building. A "fire alarm control unit" or fire alarm panel, serves as the brain of the fire alarm system. It is a component of a fire alarm system that receives signals from initiating devices or other fire alarm control units, and processes these signals to determine part or all of the required fire alarm system output. National Fire Protection Association, *A Guide to Fire Alarm Basics*, available at <https://www.nfpa.org/News-and-Research/Publications-and-media/Blogs-Landing-Page/NFPA-Today/Blog-Posts/2021/03/03/A-Guide-to-Fire-Alarm-Basics> (last visited Mar.4, 2025).

⁶ Section 553.7932(1)(b), F.S., defines "contractor" as a person who: 1. Is qualified to engage in the business of electrical or alarm system contracting pursuant to a certificate or registration issued by the department under part II of ch. 489, F.S.; or 2. Is qualified to engage in the business of fire protection system contracting pursuant to a license or certificate issued by the State Fire Marshal.

⁷ Ch. 2022-124, Laws of Fla.

⁸ Section 553.7932(1)(d), F.S., defines a "fire sprinkler system project" as a fire protection system alteration of a total of 20 or fewer fire sprinklers in which the sprinklers are of the same K-factor and located in spaces where there is no change of hazard classification or increased system coverage area, or the installation or replacement of an equivalent fire sprinkler system component in an existing commercial, residential, apartment, cooperative, or condominium building.

⁹ Section 553.7932(2), F.S.

¹⁰ Section 553.7932(3), F.S.

¹¹ Section 553.7932(4), F.S.

¹² Section 553.7932(5), F.S.

employ or contract with a fire safety inspector (certified by the State Fire Marshal) to conduct all fire safety inspections required by law.¹³

Fire Protection Systems

A “fire protection system” is a system individually designed to protect the interior or exterior of a specific building or buildings, structure, or other special hazard from fire. A fire protection system includes, but is not limited to:¹⁴

- Water sprinkler systems;
- Water spray systems;
- Foam-water sprinkler systems;
- Foam-water spray systems;
- Carbon dioxide systems;
- Foam extinguishing systems;
- Dry chemical systems; and
- Halon and other chemical systems used for fire protection use.

Fire protection systems also include any tanks and pumps connected to fire sprinkler systems, overhead and underground fire mains, fire hydrants and hydrant mains, standpipes and hoses connected to sprinkler systems, sprinkler tank heaters, air lines, and thermal systems used in connection with fire sprinkler systems.¹⁵

Fire protection systems must be installed in accordance with the Fire Prevention Code and the Building Code. Current law requires local governments to enforce the Fire Prevention Code and the Building Code including the permitting, inspecting, and approving the installation of a fire protection system.¹⁶ Owners of fire protection systems must contract with a certified fire protection system contractor to regularly inspect such systems.¹⁷

Fire Protection System Contractors

To engage in the business of laying out, fabricating, installing, inspecting, altering, repairing, or servicing a fire protection system in Florida, other than a pre-engineered system, a person must be certified as a fire protection system contractor.¹⁸

Fire protection system contractors are regulated by ch. 633, F.S., which outlines the law pertaining to fire protection system contractors in Florida. The State Fire Marshal is responsible for licensing and regulating fire system protection contractors in Florida.¹⁹

¹³ Section 633.202, F.S.

¹⁴ Section 633.102(11), F.S.

¹⁵ *Id.*

¹⁶ See generally chs. 553 and 633, F.S.; Florida Fire Prevention Code 8th Edition (NFPA Standard 1), available at [florida-fire-prevention-code-8th-edition-nfpa-101-fl-sp.pdf](#) (last visited Mar. 4, 2025).

¹⁷ Section 633.312, F.S.

¹⁸ Section 633.336(1), F.S.

¹⁹ Sections 633.318 and 633.338, F.S.

There are five levels of certification for fire protection system contractors. A contractor's ability to practice is limited to the category or categories for which the contractor has obtained certification.²⁰

Fire Prevention Code

The State Fire Marshall is required to adopt by rule the Fire Prevention Code and must adopt or incorporate by reference specified codes, such as the current edition of the National Fire Protection Association's Standard 1, Fire Protection Code.²¹ Local governments are given an opportunity to submit local fire code amendments within a certain time which the State Fire Marshall is required to review to make specified determinations.²² The State Fire Marshall must adopt a new code every three years, and any local amendments are only effective until the new adoption of the code occurs.²³ After the State Fire Marshall approves a local amendment and it is published on the State Fire Marshall's website, the local authority having jurisdiction to enforce the Fire Prevention Code may enforce the local amendment.²⁴ The State Fire Marshall may approve local amendments that address specified topics.²⁵ The local government must send within 30 days a copy of any local amendment it adopts to the Florida Building Commission and the State Fire Marshall.²⁶

Penalties

Section 633.106, F.S., authorizes the State Fire Marshal to impose the following disciplinary actions against any individual who does not meet the qualifications established by, or who violates any provision of ch. 633, F.S., or any rule that it authorizes:

- Deny, suspend, or revoke the license, certificate, or permit.
- Except on a second offense or when the suspension, revocation, or refusal to issue is mandatory, and in lieu of such actions, impose one of the following:
 - An administrative fine not to exceed \$1,000 for each violation up to \$10,000.
 - Probation for a period not to exceed 2 years.

The State Fire Marshal has discretion on the number of days for payment, but such fees must be paid within a reasonable period not to exceed 30 days. Failure to pay the fine within the required period results in the license, permit or certificate being suspended until the payment of the administrative fine is made. The State Fire Marshal has discretion on his or her reasonable terms and conditions that may be imposed during the probation period.²⁷

Uniform Summary Inspection Report

The bill requires that the State Fire Marshal adopt rules to implement a uniform submission procedure for the collection of inspection reports. The local authority having jurisdiction may accept the report by mail, hand delivery, electronically or through a vendor. The State Fire Marshal must adopt rules to establish submission procedures for each of these methods. These

²⁰ Section 633.102(3), F.S.

²¹ Section 633.202(1) and (2), F.S.

²² Section 633.202(3)(a), F.S.

²³ Section 633.202(3)(b), F.S.

²⁴ Section 633.202(5), F.S.

²⁵ *Id.*

²⁶ Section 633.202(8), F.S.

²⁷ Section 633.106, F.S.

rules must allow a contractor to attach additional documents, including their detailed inspection report, to the submission. The standardized procedures to be set by the State Fire Marshal must include a standardized reporting format for a uniform summary report. The uniform summary report must include:

- The address of the building or hydrant;
- The company and person conducting the inspection and their license number;
- The date of the inspection;
- The fire protection system or hydrant inspection status; and
- A brief summary of each deficiency, critical deficiency, noncritical deficiency or impairment found.

The contractor's inspection report is not required to follow a uniform format and contractors may not be required to enter details of the inspection report. The submission procedures created by the State Fire Marshal may not require a contractor to submit information contained within the detailed inspection report unless the information is required to be included in the uniform summary report.²⁸

III. Effect of Proposed Changes:

Senate Bill 1078 aims to strengthen fire safety standards statewide by:

- Streamlining permitting and inspection processes to be more efficient.
- Enhancing local government accountability and compliance with state regulations.
- Reducing administrative burdens and costs for contractors while maintaining safety standards.

Simplified Permitting Process for Certain Fire Alarm and Sprinkler System Projects

Section 1 of the bill requires local governments to establish by October 1, 2025, a simplified permitting process that complies with the minimum requirements of the Building Code's simplified permitting process for fire alarm or sprinkler system projects of 20 or fewer alarm devices or sprinklers.

The bill amends the simplified permitting process in the Building Code to specify that a local enforcement agency must issue a permit within two business days after submission of the completed application. The bill allows contractors to begin work authorized by the permit immediately after the submission of a completed application before the local enforcement agency issues the permit. The bill modifies the requirement for a local enforcement agency to perform at least one inspection of a fire alarm or fire sprinkler system project to ensure compliance with applicable codes and standards and provides that if a local enforcement agency requires an inspection, then it must be completed within 3 business days after such inspection is requested. These deadlines for issuing permits and conducting inspections are intended to ensure timely compliance and efficient project completion.

²⁸ Section 633.312(3)(b), F.S.

If a local government fails to comply with deadlines for issuing permits or completing inspections, then the local government must refund the permit fee by 10 percent for each business day of such failure unless:

- The local government and contractor agree in writing to a reasonable extension of time,
- The delay is caused by the applicant, or
- The delay is attributable to a force majeure or other extraordinary circumstances.

Each 10 percent reduction is based on the original amount of the permit fee.

The bill clarifies that the purpose of a contractor's requirement to make fire alarm project plans and specifications available to the inspector at each inspection is for an onsite plans review of them. The bill specifies the additional documents requested by the local enforcement agency as part of an inspection for a fire alarm or sprinkler system project must be for recording purposes, and requires a contractor to provide copies of any such documentation within four business days after the inspection or within four days after the documents are requested, whichever is later, and prohibits such agency from requiring documentation for areas or devices outside the scope of permitted work.

The bill defines "alteration" as "to add, install, relocate, replace, or remove" which clarifies the definitions of fire alarm system project and fire sprinkler system project and which, in turn, clarifies when the simplified permitting process applies to altering such systems. The bill also amends the definition to "fire alarm system project" to add an additional service to the definition of such project, specifically "...the replacement of an existing fire alarm panel using the same make and model as the existing panel."

Ordinance Compliance

Section 2 of the bill provides that amendments adopted by local governments which do not comply with the Fire Prevention Code are null and void. The bill provides that a municipality may enforce only an ordinance that has been sent to the Florida Building Commission and the State Fire Marshall as provided in the Fire Prevention Code as of the date that the bid for permit was submitted.

Inspection Report Improvements

Section 3 of the bill modifies the information required to be included in a uniform summary inspection report for fire protection system and hydrant inspections to require only the total quantity of deficiencies identified instead of specified brief descriptions required under current law. This amendment intends to reduce redundant documentation and associated costs for contractors.

Section 4 of the bill provides an effective date of July 1, 2025

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, section 18 (a) of the Florida Constitution provides in part that a county or municipality may not be bound by a general law requiring a county or municipality to spend funds or take an action that requires the expenditure of funds unless certain specified exemptions or exceptions are met. Under the bill local governments are required to issue permits and complete inspections within a specified time which may require them to hire additional personnel to meet such deadlines. Further, local governments are required to reduce permit fees by 10 percent for each business day after such government fails to comply with such deadlines. If the bill does qualify as a mandate, in order to be binding upon cities and counties, the bill must contain a finding of important state interest and be approved by a two-thirds vote of the membership of each house.

However, the mandate requirements do not apply to laws having an insignificant fiscal impact, which for Fiscal Year 2025-2026 is forecast at approximately \$2.4 million.^{29,30,31}

If costs imposed by the bill exceed \$2.4 million, the mandates provisions may apply. If the bill does qualify as a mandate, in order to be binding upon cities and counties, the bill must contain a finding of important state interest and be approved by a two-thirds vote of the membership of each house.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

²⁹ FLA. CONST. art. VII, s. 18(d).

³⁰ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year times \$0.10. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (Sept. 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited Mar. 7, 2025).

³¹ Based on the Florida Demographic Estimating Conference's February 4, 2025 population forecast for 2025 of 23,332,606. The conference packet is available at: https://edr.state.fl.us/content/conferences/population/ConferenceResults_Tables.pdf (last visited Mar. 7, 2025).

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

This bill requires local governments to reduce permit fees by 10 percent for each business day after such government fails to comply with authorizing a permit or conducting an inspection of a fire alarm or sprinkler system within a specified time.

B. Private Sector Impact:

The bill may reduce the cost of permit fees paid by the private sector to local governments if a local government fails to meet time requirements. On the other hand, the local jurisdictions may raise permit fees so that they can hire employees to meet the time requirements in the bill.

C. Government Sector Impact:

The DFS reports that SB 1078 will have no fiscal impact on state government³² This bill may reduce the amount of permit fees that could be collected by local governments in certain circumstances. This bill may impact local governments because they may have to hire more employees to meet the prescribed timeframes.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The DFS reports that Rule 69A-46, of the Florida Administrative Code, will need to be modified to conform to the changes made in SB 1078.³³

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 553.7932, 633.202, and 633.312.

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

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

CS by Banking and Insurance Committee on March 10, 2025:

- Modifies the deadline for the local enforcement agency to complete an inspection to within 3 days, rather than 24 hours, after it is requested.

³² The DFS, *Department of Financial Services 2025 Agency Legislative Bill Analysis SB 1078*, p. 2, Mar. 5, 2025 (on file with the Senate Committee on Banking and Insurance) (hereinafter cited as “2025 DFS Agency Analysis for SB 1078”).

³³ *Id.*

- Specifies the additional documents requested by the local enforcement agency as part of an inspection for a fire alarm or sprinkler system project must be for recording purposes and clarifies that the timeframe in which the contractor must provide such documents.
- Clarifies the applicability and amount of the reduced permit fees for failing to meet deadlines.
- Provides a local amendment will be null and void, rather than rescinded immediately, if a county or municipality fails to adhere to the requirements of s. 633.202, F.S., and moves the provision from subsection (10)(b) to subsection (9)(b).
- Removes the provision that a local fire marshal is subject to disciplinary action in s. 633.106, F.S., if the county or municipality continues to enforce an ordinance that has been rescinded.
- Provides a municipality may enforce only an ordinance that has been sent to the Florida Building Commission and the State Fire Marshal in accordance with current law as of the date that the bid for permit was submitted.

B. Amendments:

None.



258716

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/12/2025	.	
	.	
	.	
	.	

The Committee on Banking and Insurance (McClain) recommended the following:

Senate Amendment (with title amendment)

Delete lines 63 - 153
and insert:

(4) The a local enforcement agency must provide an inspection within 3 business days after such inspection is requested ~~require at least one inspection of a fire alarm system project or fire sprinkler system project~~ to ensure compliance with applicable codes and standards. If a fire alarm system project or fire sprinkler system project fails an inspection,



258716

the contractor must take corrective action as necessary to pass inspection.

(5)(a) For a fire alarm system project, a contractor must keep a copy of the plans and specifications at the fire alarm system project worksite and make such plans and specifications available to the inspector for an onsite plans review at each inspection. If the local enforcement agency determines that it needs documents for recording purposes, the contractor must provide such documentation in paper or electronic form to the local enforcement agency within 4 business days after the inspection or 4 days after the documentation is requested, whichever is later. The local enforcement agency may not require additional plans reviews or documentation of areas or devices outside the scope of permitted work, as needed on permit applications.

(b) For a fire sprinkler system project ~~to alter an existing fire protection system~~, a contractor must keep a copy of the plans and specifications at the fire sprinkler system project worksite and make such plans and specifications available to the inspector at each inspection. If the local enforcement agency determines that it needs additional documents for recording purposes, the contractor must provide such documentation in paper or electronic form to the local enforcement agency within 4 business days after the inspection or 4 days after the documentation is requested, whichever is later. The local enforcement agency may not require additional plans reviews or documentation of areas or devices outside the scope of permitted work, as needed on permit applications.

(6) A local government that fails to meet a deadline under



258716

subsection (3) or subsection (4) must refund the permit fee by 10 percent for each business day after such failure, unless the local government and contractor agree in writing to a reasonable extension of time, the delay is caused by the applicant, or the delay is attributable to a force majeure or other extraordinary circumstances. Each 10 percent refund shall be based on the original amount of the permit fee.

(7) By October 1, 2025, a local enforcement agency must establish a simplified permitting process that complies with this section.

Section 2. Subsection (9) of section 633.202, Florida Statutes, is amended to read:

633.202 Florida Fire Prevention Code.—

(9)(a) The State Fire Marshal shall make rules that implement this section and ss. 633.104 and 633.208 for the purpose of accomplishing the objectives set forth in those sections.

(b) If a county or municipality fails to adhere to the requirements of this section when adopting an ordinance for a local amendment to the Florida Fire Prevention Code, the local amendment is null and void. A municipality may enforce only an ordinance that has been sent to the Florida Building Commission and the State Fire Marshal pursuant to subsection (8) as of the date that the bid for a permit was submitted.

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

And the title is amended as follows:

Delete lines 9 - 27

and insert:



258716

69 requiring the local enforcement agency to provide an
70 inspection within a specified timeframe; requiring
71 that certain plans and specifications be available for
72 an onsite plans review during an inspection; requiring
73 a contractor to provide additional documents, if
74 necessary, within a specified timeframe; prohibiting a
75 local enforcement agency from requiring additional
76 plans reviews or documentation outside the scope of
77 the permitted work; requiring that permit fees be
78 refunded by a certain percentage if a local government
79 fails to meet certain deadlines; providing exceptions;
80 requiring local enforcement agencies to establish a
81 simplified permitting process by a specified date;
82 amending s. 633.202, F.S.; specifying a condition
83 under which a local amendment to the Florida Fire
84 Prevention Code is null and void; providing that a
85 municipality may enforce only an ordinance that has
86 been sent to the Florida Building Commission and the
87 State Fire Marshal as of the date that the bid for a
88 permit was submitted; amending s. 633.312,

By Senator McClain

9-00503A-25

20251078

1 A bill to be entitled
 2 An act relating to fire prevention; amending s.
 3 553.7932, F.S.; defining the term "alteration";
 4 revising the definition of the term "fire alarm system
 5 project"; requiring a local enforcement agency to
 6 issue a permit for a fire alarm system project or fire
 7 sprinkler system project within a specified time
 8 period; authorizing work to commence immediately;
 9 requiring an inspection required by the local
 10 enforcement agency of a fire alarm system project or
 11 fire sprinkler system project within a specified time
 12 period; requiring that certain plans and
 13 specifications be available for an onsite plans review
 14 during an inspection; requiring a contractor to
 15 provide additional documentation, if necessary, within
 16 a specified timeframe; prohibiting a local enforcement
 17 agency from requiring additional plans reviews or
 18 documentation outside the scope of the permitted work;
 19 requiring permit fees to be reduced by a certain
 20 percentage if a local government fails to meet certain
 21 deadlines; providing exceptions; requiring local
 22 enforcement agencies to establish a simplified
 23 permitting process by a specified date; amending s.
 24 633.202, F.S.; specifying a condition under which a
 25 local amendment to the Florida Fire Prevention Code is
 26 immediately rescinded; providing disciplinary action
 27 under certain circumstances; amending s. 633.312,
 28 F.S.; requiring that a uniform summary inspection
 29 report include the total number of deficiencies found

Page 1 of 7

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

9-00503A-25

20251078

30 during the inspection of a fire protection system or
 31 hydrant; deleting the requirement for a brief summary
 32 of such deficiencies; deleting an exception from
 33 submitting certain information within a detailed
 34 inspection report; providing an effective date.
 35
 36 Be It Enacted by the Legislature of the State of Florida:
 37
 38 Section 1. Present paragraphs (a) through (d) of subsection
 39 (1) of section 553.7932, Florida Statutes, are redesignated as
 40 paragraphs (b) through (e), respectively, present paragraph (c)
 41 of subsection (1), subsections (3) and (4), and paragraphs (a)
 42 and (b) of subsection (5) are amended, and new paragraph (a) of
 43 subsection (1) and subsections (6) and (7) are added to that
 44 section, to read:
 45 553.7932 Simplified permitting processes.—
 46 (1) As used in this section, the term:
 47 (a) "Alteration" means to add, install, relocate, replace,
 48 or remove.
 49 (d) ~~(e)~~ "Fire alarm system project" means a fire alarm
 50 system alteration of a total of 20 or fewer initiating devices
 51 and notification devices; ~~or~~ the installation or replacement of
 52 a fire communicator connected to an existing fire alarm control
 53 panel in an existing commercial, residential, apartment,
 54 cooperative, or condominium building; or the replacement of an
 55 existing fire alarm panel using the same make and model as the
 56 existing panel.
 57 (3) A local enforcement agency must issue a permit for a
 58 fire alarm system project or fire sprinkler system project in

Page 2 of 7

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

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person or electronically within 2 business days after submission of a completed application. A contractor may commence work authorized by the permit immediately after submission of a completed application.

(4) If a local enforcement agency requires an inspection, the a local enforcement agency must provide such inspection within 24 hours after such inspection is requested, require at least one inspection of a fire alarm system project or fire sprinkler system project to ensure compliance with applicable codes and standards. If a fire alarm system project or fire sprinkler system project fails an inspection, the contractor must take corrective action as necessary to pass inspection.

(5)(a) For a fire alarm system project, a contractor must keep a copy of the plans and specifications at the fire alarm system project worksite and make such plans and specifications available to the inspector for an onsite plans review at each inspection. If the local enforcement agency determines that it needs additional documentation, the contractor must provide such documentation in paper or electronic form to the local enforcement agency within 4 business days after the inspection. The local enforcement agency may not require additional plans reviews or documentation of areas or devices outside the scope of permitted work.

(b) For a fire sprinkler system project ~~to alter an existing fire protection system~~, a contractor must keep a copy of the plans and specifications at the fire sprinkler system project worksite and make such plans and specifications available to the inspector at each inspection. If the local enforcement agency determines that it needs additional

9-00503A-25 20251078

documentation, the contractor must provide such documentation in paper or electronic form to the local enforcement agency within 4 business days after the inspection. The local enforcement agency may not require additional plans reviews or documentation of areas or devices outside the scope of permitted work.

(6) A local government that fails to meet a deadline under this section must reduce the permit fee by 10 percent for each business day after such failure, unless the parties agree in writing to a reasonable extension of time, the delay is caused by the applicant, or the delay is attributable to a force majeure or other extraordinary circumstances. Each 10 percent reduction shall be based on the original amount of the permit fee, unless the parties agree to an extension of time.

(7) By October 1, 2025, a local enforcement agency must establish a simplified permitting process that complies with this section.

Section 2. Subsection (10) of section 633.202, Florida Statutes, is amended to read:

633.202 Florida Fire Prevention Code.—

(10)(a) Notwithstanding other provisions of this chapter, if a county or a municipality within that county adopts an ordinance providing for a local amendment to the Florida Fire Prevention Code and that amendment provides a higher level of protection to the public than the level specified in the Florida Fire Prevention Code, the local amendment becomes effective without approval of the State Fire Marshal and is not rescinded pursuant to this section, provided that the ordinance meets one or more of the following criteria:

1. (a) The local authority has adopted, by ordinance, a fire

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service facilities and operation plan that outlines goals and objectives for related equipment, personnel, and capital improvement needs of the local authority related to the specific amendment for the next 5 years;

~~2.(b)~~ The local authority has adopted, by ordinance, a provision requiring proportionate reduction in, or rebate or waivers of, impact or other fees or assessments levied on buildings that are built or modified in compliance with the more stringent firesafety standards required by the local amendment; or

~~3.(e)~~ The local authority has adopted, by ordinance, a growth management plan that requires buildings and structures to be equipped with more stringent firesafety requirements required by the local amendment when these firesafety requirements are used as the basis for planning infrastructure development, uses, or housing densities.

(b) If a county or municipality fails to adhere to the requirements of this section when adopting an ordinance for a local amendment to the Florida Fire Prevention Code, the local amendment is rescinded immediately. If a county or municipality continues to enforce an ordinance that has been rescinded, the local fire marshal is subject to disciplinary action under s. 633.106.

(c) Except as provided in s. 633.206, the local appeals process shall be the venue if there is a dispute between parties affected by the provisions of the more stringent local firesafety amendment adopted as part of the Florida Fire Prevention Code pursuant to the authority in this subsection. Local amendments adopted pursuant to this subsection shall be

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deemed local or regional variations and published as such in the Florida Fire Prevention Code. The act of publishing locally adopted firesafety amendments to the Florida Fire Prevention Code may not be construed to mean that the State Fire Marshal approves or denies the authenticity or appropriateness of the locally adopted firesafety provision, and the burden of protecting the local firesafety amendment remains solely with the adopting local governmental authority.

Section 3. Paragraph (b) of subsection (3) of section 633.312, Florida Statutes, is amended to read:

633.312 Inspection of fire control systems, fire hydrants, and fire protection systems.—

(3)

(b) The State Fire Marshal shall adopt rules to implement a uniform summary inspection report and submission procedures to be used by all third-party vendors and local authorities having jurisdiction. For purposes of this section, a uniform summary inspection report must record the address at which ~~where~~ the fire protection system or hydrant is located, the company and person conducting the inspection and their license number, the date of the inspection, and the fire protection system or hydrant inspection status, including the total number of ~~deficiencies found a brief summary of each deficiency, critical deficiency, noncritical deficiency, or impairment found.~~ A contractor's detailed inspection report is not required to follow the uniform summary inspection report format. The State Fire Marshal shall establish by rule a submission procedure for each means provided under paragraph (a) by which a local authority having jurisdiction may accept uniform summary

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20251078__

175 inspection reports. Each of the submission procedures must allow
176 a contractor to attach additional documents with the submission
177 of a uniform summary inspection report, including a physical
178 copy of the contractor's detailed inspection report. A
179 submission procedure may not require a contractor to submit
180 information contained within the detailed inspection report
181 ~~unless the information is required to be included in the uniform~~
182 ~~summary inspection report.~~

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

The Florida Senate

APPEARANCE RECORD

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

3-10-25

Meeting Date

Banking & Insurance

Committee

SB 1078

Bill Number or Topic

258716

Amendment Barcode (if applicable)

Name

Chief Jim Millican

Phone

727-526-5650

Address

4360-55 NW

Street

Email

jmillican@eclmerfire.com

ST. Petersburg

City

FL

State

33714

Zip

Speaking:

☐ For

☐ Against

☒ Information

OR

Waive Speaking:

☐ In Support

☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without
compensation or sponsorship.

☐ I am a registered lobbyist,
representing:

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

Florida Fire Marshals & Florida Fire Chiefs

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

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

S-001 (08/10/2021)

March 10, 2025

Meeting Date

The Florida Senate
APPEARANCE RECORD

1078

Bill Number or Topic

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

Committee

Name Shannon Few

Phone (954) 748-7779

Amendment Barcode (if applicable)

Address 537 East Park Ave

Email Shannon.Few@iaf-safe.org

Street

Tallahassee, FL

32301

City

State

Zip

Speaking: ☐ For ☐ Against ☐ Information

OR

Waive Speaking:

☒ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without
compensation or sponsorship.

☐ I am a registered lobbyist,
representing:

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

Integration Association of Florida / Alarm Association of Florida

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

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S-001 (08/10/2021)

The Florida Senate
APPEARANCE RECORD

Deliver both copies of this form to
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3/10/25

Meeting Date

Banking and Insurance

Committee

1078

Bill Number or Topic

Amendment Barcode (if applicable)

Name Tim Meenan

Phone 856 284 9240

Address 300 S. Duval St.

Street

Email Tim@meenanlawfirm.com

Tallahassee

City

FL

State

32301

Zip

Speaking: ☐ For ☐ Against ☐ Information

OR

Waive Speaking: ☒ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:

Florida Fire Sprinkler Association

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

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

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S-001 (08/10/2021)

3-10-25

Meeting Date

Banking + Insurance
Committee

The Florida Senate
APPEARANCE RECORD

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1078

Bill Number or Topic

Amendment Barcode (if applicable)

Name LUCAS PARSONS

Phone 850-591-7757

Address 501 S MONROE ST

Email lparsons@carltonfields.com

Street

TLH

City

FL

State

32309

Zip

Speaking: ☐ For ☐ Against ☐ Information

OR

Waive Speaking: ☒ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:

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

FL AUTOMATIC FIRE ALARM ASSN

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

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The Florida Senate
APPEARANCE RECORD

Deliver both copies of this form to
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3/10/25

Meeting Date

B + I

Committee

1078

Bill Number or Topic

Amendment Barcode (if applicable)

Name

Edward Briggs

Phone

850-933-5994

Address

235 W. Braden Blvd. Ste 640

Street

Email

edward@teamrsa.com

Braden

City

FL

State

33511

Zip

Speaking:



For



Against



Information

OR

Waive Speaking:



In Support



Against

PLEASE CHECK ONE OF THE FOLLOWING:



I am appearing without
compensation or sponsorship.



I am a registered lobbyist,
representing:



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

American Fire Sprinkler Assoc. - FL Chapter

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

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

S-001 (08/10/2021)

COMMITTEE: Banking and Insurance
ITEM: SB 1078
FINAL ACTION: Favorable with Committee Substitute
MEETING DATE: Monday, March 10, 2025
TIME: 1:30—3:30 p.m.
PLACE: 412 Knott Building

[illegible]

CODES: FAV=Favorable
UNF=Unfavorable
-R=Reconsidered

RCS=Replaced by Committee Substitute
RE=Replaced by Engrossed Amendment
RS=Replaced by Substitute Amendment

TP=Temporarily Postponed
VA=Vote After Roll Call
VC=Vote Change After Roll Call

WD=Withdrawn
OO=Out of Order
AV=Abstain from Voting

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SB 1226

INTRODUCER: Senator DiCeglie

SUBJECT: Pet Insurance and Wellness Programs

DATE: March 10, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Knudson	BI	Favorable
2.			AEG	
3.			FP	

I. Summary:

SB 1226 creates a regulatory framework for the oversight of pet insurance by the Office of Insurance Regulation (OIR). The bill provides consumer protections, including policy disclosures regarding the benefits and exclusions, and a right to rescind a policy within 30 days of issuance.

Although pet insurance is considered a kind of property insurance, it is essentially a health insurance policy for a pet that covers accidents and illnesses. In the United States about 65 million households have a dog and 46 million have a cat, and 4.8 million cats and dogs are insured in this country.¹ In 2022, total, nationwide premiums for pet insurance were about \$2.8 billion and covering over 4.41 million pets.² This represents an increase of 30.5 percent more premiums than in 2020 and about 28 percent more pets insured than in 2020.³

II. Present Situation:

Regulation of Insurance in Florida

Chapters 624-632, 634, 635, 636, 641, 642, 648, and 651, F.S., constitute the Florida Insurance Code (code). Part III of ch. 624, F.S., prescribes the requirements for an entity to obtain a certificate of authority and be authorized as an insurer. Part V of ch. 624, F.S., defines the kinds of insurance, including property insurance. Part I of ch. 626, F.S., regulates insurance agents, and Part III of ch. 626, F.S., regulates general lines agents. Part I of ch. 627, F.S., known as the “Rating Law,” provides that a purpose of this part is to promote the public welfare by regulating

¹ [Pet Insurance Buying Guide - Consumer Reports](#) (August 25, 2023) (Last visited March 6, 2025).

² [NAIC Passes Pet Insurance Model Act | Insurance Advocate \(insurance-advocate.com\)](#) (Sep. 10, 2022) (last visited March 6, 2025). This data was provided by North American Pet Health Insurance Association (NAPHIA).

³ *Id.*

insurance rates to ensure that they may not be excessive, inadequate, or unfairly discriminatory. Part X of ch. 617, F.S., regulates property insurance.

Department of Financial Services

The powers and duties of the Chief Financial Officer and the Department of Financial Services (DFS), relating to part I of ch. 626, F.S., are specified in s. 626.016, F.S. Part I, known as the “The Licensing Procedures Law,”⁴ applies only with respect to insurance agents, insurance agencies, managing general agents, insurance adjusters, reinsurance intermediaries, viatical settlement brokers, customer representatives, service representatives, and agencies. The powers and duties of the commission and the Office of Financial Regulation (OFR) specified in Part I apply only with respect to service companies, administrators, and viatical settlement providers and contracts.

Licensure of Insurance Agents

Section 626.112, F.S., 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 DFS and appointed by an appropriate appointing entity or person. An agent is a general lines agent, life agent, health agent, or title agent, or all such agents, as indicated by context.⁵ Part II of ch. 626, F.S., regulates general lines agents. A general lines agent is an agent transacting any of the following kinds of insurance:

- Property insurance.
- Casualty insurance.
- Surety insurance.
- Health insurance.
- Marine insurance.⁶

As a condition of transacting insurance in this state, agents must comply with consumer protection laws, including the following, as applicable:⁷

- Continuing education requirements for resident and nonresident agents, as required in s. 626.2815.
- Fingerprinting requirements for resident and nonresident agents, as required under s. 626.171 or s. 626.202.
- Fingerprinting following a department investigation under s. 626.601.
- The submission of credit and character reports, as required by s. 626.171.
- Qualifications for licensure as an agent in s. 626.731, s. 626.741, s. 626.785, s. 626.792, s. 626.831, or s. 626.835.
- Examination requirements in s. 626.221, s. 626.741, s. 626.792, or s. 626.835.
- Required licensure or registration of insurance agencies under s. 626.112.
- Requirements for licensure of resident and nonresident agents in s. 626.112, s. 626.321, s. 626.731, s. 626.741, s. 626.785, s. 626.792, s. 626.831, s. 626.835, or s. 626.927.

⁴ Section 626.011, F.S.

⁵ Section 626.015(3), F.S.

⁶ Section 626.015(7), F.S.,

⁷ Section 626.025, F.S.

- Countersignature of insurance policies, as required under s. 624.425, s. 624.426, or s. 626.741.
- The code of ethics for life insurance agents, as set forth in s. 626.797.
- Any other licensing requirement, restriction, or prohibition designated a consumer protection by the Chief Financial Officer, but not inconsistent with the requirements of Subtitle C of the federal Gramm-Leach-Bliley Act.

The Office of Insurance Regulation

The Office of Insurance Regulation (OIR) is responsible for regulating all activities concerning insurers and other risk bearing entities, including licensing, rates, policy forms, market conduct, claims, issuance of certificates of authority, solvency, viatical settlements, premium financing, and administrative supervision, as provided under the code. The head of the OIR is the Commissioner.⁸

The Unfair Insurance Trade Practices Act (Act)

The Act⁹ regulates trade practice relating to the business of insurance, including activities of insurers and agents. The department and the office are authorized to impose fines on any person who violates any provision of this Act.¹⁰

National Association of Insurance Commissioners

The OIR is a member of the National Association of Insurance Commissioners (NAIC), an organization consisting of state insurance regulators.¹¹ As a member of the NAIC, OIR is required to participate in the organization's accreditation program.¹² NAIC accreditation is a certification that a state insurance department is fulfilling legal, regulatory, and organizational oversight standards and practices. Once accredited, a member state is subject to a full accreditation review every five years. The NAIC also periodically reviews its solvency standards as set forth in its model acts and revises accreditation requirements to adapt to evolving industry standards.

Pet Insurance Act

In 2022, the NAIC adopted the Pet Insurance Model Law, also known as the “Pet Insurance Act” (act).¹³ The purpose of this act is to promote the public welfare by creating a comprehensive

⁸ Section 20.121(3)(a)1, F.S. The Financial Services Commission (commission), composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture, serve as the commission. Commission members serve as agency head of the Financial Services Commission. Commission members shall serve as the agency head for purposes of rulemaking by the commission. Section 20.121(3)(c), F.S.

⁹ Part IX, ch. 626, F.S.

¹⁰ *Id.*

¹¹ The NAIC provides expertise, data, and analysis for insurance commissioners to effectively regulate the industry and protect consumers. Founded in 1871, the U.S. standard-setting organization is governed by the chief insurance regulators from the 50 states, the District of Columbia, and five U.S. territories to coordinate regulation of multistate insurers. [About \(naic.org\)](https://www.naic.org/) (last visited March 6, 2025).

¹² Accreditation, NAIC, (December 12, 2024). https://content.naic.org/cipr_topics/topic_accreditation.htm (last visited March 6, 2025).

¹³ [NAIC Pet Insurance Model Law 11921Clean \(soutrnglobal.net\)](https://www.soutrnglobal.net/naic-pet-insurance-model-law-11921-clean), Model 633 (Aug. 2022) (last visited March 6, 2024).

legal framework within which pet insurance may be sold. The elements of the act include definitions, disclosures, policy conditions, sales practices for wellness programs, agent training, rulemaking, and violations. As of the summer of 2022, only one state, Maine, had adopted the Act.¹⁴ California enacted legislation to regulate pet insurance that contains provisions similar to the act, and also provides civil penalties for nonwillful violations and willful violations.¹⁵

Prior to the NAIC's approval of the model law, the following factors were cited as the impetus for NAIC to form a property and casualty insurance task force initially to review pet insurance coverage, product approval, marketing, ratemaking, claims practices, and regulatory concerns:

- Tremendous growth in the pet insurance market;
- Policy premiums that far exceed the cost of the covered pet; and
- Complex policies with multiple coverage options and exclusions.

The NAIC task force issued, *A Regulator's Guide to Pet Insurance* in 2019. The report found that in 2018:

- The largest amount of gross premium was concentrated in California (21.4 percent) and New York (10.4 percent). In contrast, Florida's represented 6.3 percent of the gross written premium.¹⁶
- The first pet policy was issued in the U.S. in 1982.
- The majority of the carriers selling policies offer the following coverage: accident only; and accident and illness.
- Most carriers write coverage for dogs and cats only. Some write policies for exotic pets, such as reptiles and birds. Many carriers exclude coverage for pets less than eight weeks old or older than 12 years.
- Some carriers have waiting periods for injury, illness, and orthopedic care. Policy exclusions were noted for preexisting conditions. Many policies exclude coverage for congenital and hereditary conditions, such as hip dysplasia, heart defects, cataracts, and diabetes.
- The most common marketing or distribution strategies were web-based marketing and referrals from veterinary clinics, friends, and families. The fastest growing form of distribution was through an employee benefit package.

Consumer Reports¹⁷ conducted a member survey¹⁸ of 2,061 members who insured their pets. The average premium paid by CR members was \$47 per month per pet. Depending on the plan selected, deductibles can range from \$0 to \$1,000 or more. Copays (the fixed percentage of a vet bill that is paid out of pocket) are typically 20 percent.¹⁹

¹⁴ [ST880 \(soutronglobal.net\)](#) (last visited March 6, 2025).

¹⁵ A maximum of \$5,000 for each nonwillful violation and \$10,000 for each willful violation. See California AB 2056, Chapter 986, and effective July 1, 2015. California Code of Insurance 12880-12880.4.

¹⁶ NAIC, *A Regulator's Guide to Pet Insurance* (2019), [publication-pin-op-pet-insurance.pdf \(naic.org\)](#) (last visited March 6, 2024). This data was provided by NAPHIA, not the states or the NAIC. Such data includes NAPHIA members only and is not exhaustive of the entire market for pet insurance. The report notes that NAPHIA represents 99 percent of the U.S. and Canada pet insurance industry.

¹⁷ [What We Do - Consumer Reports](#) (last visited March 6, 2025). Consumer Reports is an independent, nonprofit member organization that works side by side with consumers for truth, transparency, and fairness in the marketplace. Consumer Reports was founded in 1936.

¹⁸ [Pet Insurance Buying Guide - Consumer Reports](#) (Aug. 25, 2023) (last visited March 6, 2025).

Regulation of Veterinarians in Florida

Veterinary Medicine, the Practice of Veterinary Medicine

In 1979, the Legislature determined the practice of veterinary medicine to be potentially dangerous to public health and safety if conducted by incompetent and unlicensed practitioners and that minimum requirements for the safe practice of veterinary medicine are necessary.²⁰ The Board of Veterinary Medicine in the Department of Business and Professional Regulation implements the provisions of ch. 474, F.S., on Veterinary Medical Practice.²¹ A veterinarian is a health care practitioner licensed to engage in the practice of veterinary medicine in Florida under ch. 474, F.S.²² In Fiscal Year 2021-2022, there were 12,360 actively licensed veterinarians in Florida.²³

Veterinary medicine²⁴ includes, with respect to animals:²⁵

- Surgery;
- Acupuncture;
- Obstetrics;
- Dentistry;
- Physical therapy;
- Radiology;
- Theriogenology (reproductive medicine);²⁶ and
- Other branches or specialties of veterinary medicine.

The practice of veterinary medicine is the diagnosis of medical conditions of animals and the prescribing, dispensing, 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.²⁷ Veterinarians who are incompetent or present a danger to the public are subject to discipline and may be prohibited from practicing in the state.²⁸

²⁰ See s. 474.201, F.S.

²¹ See s. 474.204 through 474.2125, F.S., concerning the powers and duties of the board.

²² See s. 474.202(11), F.S.

²³ See Department of Business and Professional Regulation, *Division of Professions Annual Report Fiscal Year 2021-2022*, at page 18, at [Division Annual Report FY 22-23.pdf](https://www.dbpr.org/Division%20Annual%20Report%20FY%2022-23.pdf) (last visited March 6, 2025), which is the latest such Annual Report issued by the DBPR.

²⁴ See s. 474.202(13), F.S.

²⁵ 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.”

²⁶ The Society for Theriogenology, established in 1954, is composed of veterinarians dedicated to standards of excellence in animal reproduction. See <https://www.therio.org/> (last visited Jan. 4, 2024).

²⁷ See s. 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, fertility, or infertility of animals.

²⁸ See s. 474.213, F.S., on prohibited acts, and s. 474.214, F.S., on disciplinary proceedings.

III. Effect of Proposed Changes:

Section 1. Amends s. 624.604, F.S., to provide that property insurance may include pet insurance that provides coverage for accidents and for illnesses of pets.

Section 2. Amends s. 626.9541, F.S., defining as unfair methods of competition and unfair or deceptive acts the following sales practices for pet wellness programs by pet insurance agents:

- Marketing a wellness program as pet insurance.
- Requiring the purchase of a wellness program as a prerequisite to the purchase of pet insurance;
- Wellness program costs that are not separate and identifiable from any pet insurance policy sold by the pet insurance agent;
- Wellness program terms and conditions that are not separate from any pet insurance policy sold by the pet insurance agent;
- Wellness program products or coverages that duplicate products or coverages available through the pet insurance policy; and
- Misleading advertising of the wellness program.

Section 3. Creates s. 627.71545, F.S., relating to pet insurance and noninsurance wellness programs. This section may be cited as the “Pet Insurance Act.” The section states that the purpose of this section is to promote the public welfare by creating a comprehensive regulatory framework within which pet insurance may be sold in this state. The section states that this chapter applies to the following:

- Pet insurance policies that are issued to any resident of this state or that are sold, solicited, negotiated, or offered in this state.
- Pet insurance policies or certificates that are delivered or issued for delivery in this state.

All other applicable provisions of the insurance laws of this state continue to apply to pet insurance except that the specific provisions of this chapter supersede any general provisions of law which would otherwise be applicable to pet insurance.

This section may not be construed to prohibit or limit the types of exclusions pet insurers may use in their policies or require pet insurers to have any of the limitations or exclusions as specified in subsection (9).

The section defines the following terms:

- “Chronic condition” means a condition that can be treated or managed, but not cured.
- “Congenital anomaly or disorder” means a condition that is present from birth, whether inherited or caused by the environment, which may cause or contribute to illness or disease.
- “Hereditary disorder” means an abnormality that is genetically transmitted from parent to offspring and may cause illness or disease.
- “Orthopedic conditions” means a condition affecting the bones, skeletal muscle, cartilage, tendons, ligaments, or joints. It includes, but is not limited to, elbow dysplasia, hip dysplasia, intervertebral disc degeneration, patellar luxation, and ruptured cranial cruciate ligaments. It does not include cancers or metabolic, hemopoietic, or autoimmune diseases.

- “Pet insurance” means a property insurance policy that provides coverage for accidents and for illnesses and diseases of pets. Such insurance reimburses a policyholder for expenses associated with medical advice, diagnosis, care, or treatment provided by a veterinarian, including, but not limited to, the cost of drugs prescribed by the veterinarian.
- “Pet insurance policy” or “policy” includes pet insurance certificates.
- “Preexisting condition” means a condition for which, before the effective date of a pet insurance policy or during any waiting period a veterinarian provided medical advice, the pet received previous treatment, or based on information from verifiable sources the pet had signs or symptoms directly related to the condition for which a claim is being made. A condition for which coverage is afforded on a policy is not deemed to be a preexisting condition on any renewal of the policy.
- “Renewal” means the issuance and delivery at the end of an insurance policy period of a policy that supersedes the policy previously issued and delivered by the same pet insurer or affiliated pet insurer and that provides types and limits of coverage substantially similar to those contained in the policy being superseded.
- “Veterinarian” means a health care practitioner who is licensed to engage in the practice of veterinary medicine in Florida under chapter 474, F.S.
- “Waiting period” means the period of time specified in a pet insurance policy that is required to transpire before some or all of the coverage in the policy can begin. Waiting periods may not be applied to renewals of existing coverage.
- “Wellness program” means a subscription-based or reimbursement-based program that is separate from an insurance policy which provides goods and services to promote the general health, safety, or well-being of the pet. If the subscription or program includes language such as “undertakes to indemnify another,” “pays a specified amount upon determinable contingencies,” or “provides coverage for a fortuitous event,” the subscription or program is transacting in the business of insurance and is subject to the Florida Insurance Code. This definition is not intended to classify a contract directly between a service provider and a pet owner which involves only the two parties as being the business of insurance, unless other indications of insurance also exist.

The bill specifies that when the foregoing defined terms are used in a pet insurance policy, they must be defined pursuant to the statute. The pet insurer must include any such definitions used in policies available via a clear and conspicuous link on the main page of the website of the pet insurer’s or the pet insurer’s program administrator.

The bill requires a pet insurer transacting pet insurance to disclose the following to pet insurance applicants and policyholders:

- Whether the policy excludes coverage due to a chronic condition, a congenital anomaly or disorder, a hereditary disorder, or a preexisting condition.
- If the policy includes any other policy exclusions not listed above, such other exclusions must be disclosed by including the following statement in the disclosure: “Other exclusions may apply. Please refer to the exclusions section of the policy for more information.”
- Any policy provision that limits coverage through a waiting period, a deductible, coinsurance, or an annual or lifetime policy limit. Waiting periods and the requirements applicable to them must be clearly and prominently disclosed to consumers before the policy purchase.

- Whether the pet insurer reduces coverage or increases premiums based on the policyholder's claim history, the age of the covered pet, or a change in the geographic location of the policyholder.
- Whether the underwriting company differs from the brand name used to market and sell the product.

Before issuing a pet insurance policy, a pet insurer is required to provide through a clear and conspicuous link on the main page of the pet insurer's website or the website of the insurer's program administrator, a summary description of the basis or formula for the pet insurer's determination of claim payments under the policy.

- If a pet insurer uses a benefit schedule to determine claim payments under a pet insurance policy, the insurer must clearly disclose:
 - The applicable benefit schedule in the policy; and
 - All benefit schedules used by the pet insurer under its pet insurance policies through a clear and conspicuous link on the main page of the pet insurer's or pet insurer's program administrator's website.
- If a pet insurer uses usual and customary payments to determine claims payments under a pet insurance policy, or any other reimbursement limitation based on prevailing veterinary service provider charges, the insurer must:
 - Include a usual and customary fee limitation provision in the policy which clearly describes the pet insurer's basis or formula for determining usual and customary fees and how that basis or formula is applied in calculating claim payments.
 - Disclose the pet insurer's basis for determining usual and customary fees through a clear and conspicuous link on the main page of the pet insurer's or pet insurer's program administrator's website.

If any medical examination by a veterinarian is required to effectuate coverage, the pet insurer must clearly and conspicuously disclose the required aspects of the examination before the policy is purchased and must disclose that examination documentation may result in a preexisting condition exclusion.

Insurer Disclosure of Important Policy Provisions

At the time a pet insurance policy is issued or delivered to a policyholder, the pet insurer must provide the policyholder with a copy of the Insurer Disclosure of Important Policy Provisions, which provides a summary of the required disclosures. Further, the pet insurer must post the document by way of a clear and conspicuous link on the main page of the pet insurer's or pet insurer's program administrator's website. The pet insurer must also include a written disclosure with all of the following information:

- Contact information for the Division of Consumer Services of the Department of Financial Services, including a toll-free telephone number and a link.
- The address and customer service telephone number of the pet insurer or the insurance agent.

Right to Return Policy

A pet insurance policy and rider must have a notice prominently printed on the first page or attached, which includes specific instructions to accomplish a return. If a policyholder decides

not to keep the policy, the policyholder must return it to the insurer at its administrative office or return it to the agent/insurance producer unless the policyholder has filed a claim. The policyholder's right to return the policies lasts 30 days after the date of receipt. The insurer must refund the full amount of any premium paid within 30 days after receipt of the returned policy, certificate, or rider. The premium refund must be sent directly to the person who paid it. The policy, certificate, or rider will be void as if it had never been issued. The notice must state in substantially form, the following:

You have 30 days from the day you receive this policy, certificate, or rider to review it and return it to the insurer if you decide not to keep it. You do not have to tell the insurer why you are returning it. If you decide not to keep it, simply return it to the insurer at its administrative office or return it to the agent or broker that you bought it from as long as you have not filed a claim. You must return the policy, certificate, or rider within 30 days after the day you first received it. The insurer will refund the full amount of any premium paid within 30 days after it receives the returned policy, certificate, or rider. The premium refund will be sent directly to the person who paid it. The policy, certificate, or rider will be void as if it had never been issued.

Exclusions and Waiting Periods

The bill authorizes a pet insurer to issue a policy:

- That excludes coverage on the basis of one or more preexisting conditions with appropriate written disclosure to the applicant or policyholder. The pet insurer has the burden of proving whether a preexisting condition exclusion is applicable to a claim.
- That imposes waiting periods upon effectuation of the policy which do not exceed 30 days for illnesses, diseases or orthopedic conditions not resulting from an accident. A pet insurer may not issue policies that impose waiting periods for accidents.
 - A pet insurer that imposes a waiting period authorized in this section must waive the waiting period upon completion of a medical examination.
 - Pet insurers may require that such an examination be conducted by a licensed veterinarian after the purchase of the policy and the insurer will pay for the examination. Such an examination required by a pet insurer must be paid for by the policyholder, unless the policy specifies the pet insurer will pay for the examination.
 - A pet insurer may specify requirements for the medical examination and require documentation that such requirements were satisfied, provided the specifications do not unreasonably restrict the ability of the applicant or policyholder to waive the waiting periods.

A pet insurer may not require a medical examination by a veterinarian of the covered pet for the policyholder to renew the policy. If a pet insurer includes any prescriptive, wellness, or noninsurance benefits in the pet insurance policy, such benefits are made part of the policy and must conform to all applicable laws in the code.

Agent Training

The bill provides that pet insurers must ensure that their agents are appropriately trained on the terms and conditions of their pet insurance products. Such training must include the following topics:

- Preexisting conditions and waiting periods.
- The differences between pet insurance and noninsurance wellness programs.
- Hereditary disorders, congenital anomalies or disorders, chronic conditions, and the way pet insurance policies address those conditions or disorders.
- Rating, underwriting, renewal, and other related administrative topics.

Rulemaking

The bill authorizes the commission to adopt rules to administer this section.

Section 4. Provides the act takes effect January 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:

The increased transparency provided by the policy disclosures will provide consumers with greater information to use in comparing the costs of premiums and benefits of various pet insurance policies.

The purchase of a pet insurance may reduce the out of pocket costs a consumer incurs when a pet experiences an unexpected medical emergency.

Enactment of the bill will provide greater regulatory certainty for insurers that write such coverage in Florida.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill amends sections 624.604 and 626.9541 of the Florida Statutes.
This bill creates section 627.71545 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.

By Senator DiCeglie

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1 A bill to be entitled
 2 An act relating to pet insurance and wellness
 3 programs; amending s. 624.604, F.S.; revising the
 4 definition of the term "property insurance" to include
 5 a pet insurance option; amending s. 626.9541, F.S.;
 6 providing that certain practices relating to pet
 7 wellness programs are unfair methods of competition
 8 and unfair or deceptive acts or practices; creating s.
 9 627.71545, F.S.; providing a short title; providing a
 10 purpose; providing applicability; providing
 11 construction; defining terms; requiring pet insurers
 12 that use such terms in their pet insurance policies to
 13 use and include the statutory definitions in such
 14 policies; requiring pet insurers to also make such
 15 definitions available on their websites or their
 16 program administrators' websites; requiring pet
 17 insurers to make certain disclosures to pet insurance
 18 applicants and policyholders; requiring pet insurers
 19 to provide a summary of their bases or formulas for
 20 determination of claim payments under a pet insurance
 21 policy on their websites or their program
 22 administrators' websites; requiring pet insurers to
 23 disclose certain requirements for required medical
 24 examinations of a pet by a veterinarian; requiring pet
 25 insurers to create a document with a summary of
 26 certain disclosures, to post such document on their
 27 websites or their program administrators' websites,
 28 and, upon issuance or delivery of a policy to a
 29 policyholder, to provide such document to the

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30 policyholder; requiring that pet insurers make certain
 31 additional written disclosures; providing that certain
 32 required disclosures are in addition to disclosures
 33 required by the Florida Insurance Code or the
 34 Financial Services Commission rules; authorizing pet
 35 insurance applicants and policyholders to examine and
 36 return insurance policies and riders under certain
 37 circumstances; requiring that premiums be refunded
 38 under certain circumstances; requiring that pet
 39 insurance policies and riders have a specified notice
 40 printed on or attached to the first page; authorizing
 41 pet insurers to issue policies that exclude coverage
 42 on the basis of preexisting conditions with
 43 appropriate written disclosure to the applicant or
 44 policyholder; providing that pet insurers have a
 45 specified burden of proof with regard to such
 46 exclusions; authorizing pet insurers to issue new
 47 policies that impose a waiting period of up to a
 48 specified period of time for specified illnesses,
 49 diseases, or conditions; prohibiting pet insurers from
 50 issuing policies imposing a waiting period for
 51 accidents; requiring pet insurers that issue a policy
 52 that imposes a waiting period to include a provision
 53 allowing for waiver of the waiting period upon
 54 completion of a medical examination of the covered pet
 55 by a veterinarian; authorizing pet insurers to require
 56 that an examination be conducted by a veterinarian
 57 after the purchase of the policy; providing
 58 requirements and authorizations relating to such

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examination; prohibiting a pet insurer from requiring a medical examination of the covered pet to renew a policy; requiring that certain benefits comply with certain provisions of the Florida Insurance Code; prohibiting insurance applicants' eligibility from being based on participation or lack of participation in wellness programs; requiring pet insurers to ensure that their agents are trained on specified topics; providing rulemaking authority; providing an effective date.

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

Section 1. Section 624.604, Florida Statutes, is amended to read:

624.604 "Property insurance" defined.—"Property insurance" is insurance on real or personal property of every kind and of every interest therein, whether on land, water, or in the air, against loss or damage from any and all hazard or cause, and against loss consequential upon such loss or damage, other than noncontractual legal liability for any such loss or damage. Property insurance may include pet insurance that provides coverage for accidents and for illnesses of pets. Property insurance may contain a provision for accidental death or injury as part of a multiple peril homeowner's policy. Such insurance, which is incidental to the property insurance, is not subject to the provisions of this code applicable to life or health insurance. Property insurance does not include title insurance, as defined in s. 624.608.

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Section 2. Paragraph (hh) is added to subsection (1) of section 626.9541, Florida Statutes, to read:

626.9541 Unfair methods of competition and unfair or deceptive acts or practices defined.—

(1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE ACTS.—The following are defined as unfair methods of competition and unfair or deceptive acts or practices:

(hh) Sales practices for pet wellness programs.—

1. A pet insurance agent may not market a wellness program as pet insurance.

2. If a wellness program is sold by a pet insurance agent:

a. The purchase of the wellness program may not be a prerequisite to the purchase of pet insurance;

b. The costs of the wellness program must be separate and identifiable from any pet insurance policy sold by the pet insurance agent;

c. The terms and conditions of the wellness program must be separate from any pet insurance policy sold by the agent;

d. The products or coverages available through the wellness program may not duplicate the products or coverages available through the pet insurance policy; and

e. The advertising of the wellness program must not be misleading.

Section 3. Section 627.71545, Florida Statutes, is created to read:

627.71545 Pet insurance; noninsurance wellness programs.—

(1) This section may be cited as the "Pet Insurance Act."

(2) The purpose of this section is to promote the public welfare by creating a comprehensive regulatory framework within

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which pet insurance may be sold in this state.

(3) This section applies to all of the following:

(a) Pet insurance policies that are issued to any resident of this state or that are sold, solicited, negotiated, or offered in this state.

(b) Pet insurance policies or certificates that are delivered or issued for delivery in this state.

(4) (a) This section may not be construed to prohibit or limit the types of exclusions pet insurers may use in their policies or to require pet insurers to include in such policies any of the limitations or exclusions specified in subsection (9).

(b) All other applicable provisions of the Florida Insurance Code apply to pet insurance, except that this section supersedes any general provisions of the Florida Insurance Code which otherwise apply to pet insurance.

(5) (a) As used in this section, the term:

1. "Chronic condition" means a condition that can be treated or managed, but not cured.

2. "Congenital anomaly or disorder" means a condition that is present from birth, whether inherited or caused by the environment, and which may cause or contribute to illness or disease.

3. "Hereditary disorder" means an abnormality that is genetically transmitted from parent to offspring and may cause illness or disease.

4. "Orthopedic conditions" means a condition that affects the bones, skeletal muscle, cartilage, tendons, ligaments, or joints. The term includes, but is not limited to, elbow

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dysplasia, hip dysplasia, intervertebral disc degeneration, patellar luxation, and cranial cruciate ligament rupture, but does not include cancer or any metabolic, hematopoietic, or autoimmune disease.

5. "Pet insurance" means an insurance policy that provides coverage for accidents and for illnesses and diseases of pets. Such insurance reimburses a policyholder for expenses associated with medical advice, diagnosis, care, or treatment provided by a veterinarian, including, but not limited to, the cost of drugs prescribed by the veterinarian.

6. "Pet insurance policy" or "policy" includes pet insurance certificates.

7. "Preexisting condition" means a condition for which any of the following is true before the effective date of or during a waiting period applicable to a pet insurance policy:

a. A veterinarian provided medical advice.

b. The pet received previous treatment.

c. Based on information from verifiable sources, the pet had signs or symptoms directly related to the condition for which a claim is being made.

A condition for which coverage is afforded on a policy is not deemed to be a preexisting condition on any renewal of the policy.

8. "Renewal" means the issuance and delivery at the end of an insurance policy period of a policy that supersedes the policy previously issued and delivered by the same pet insurer or affiliated pet insurer and that provides types and limits of coverage substantially similar to those contained in the policy

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being superseded.

9. "Veterinarian" means a health care practitioner who is licensed to engage in the practice of veterinary medicine in this state under chapter 474.

10. "Waiting period" means the period of time specified in a pet insurance policy which is required to run before some or all of the coverage in the policy may begin. This period may not be applied to renewals of existing coverage.

11. "Wellness program" means a subscription or reimbursement-based program that is separate from an insurance policy and that provides goods and services to promote the general health, safety, or well-being of the covered pet. If the subscription or program includes language such as "undertakes to indemnify another," "pays a specified amount upon determinable contingencies," or "provides coverage for a fortuitous event," the subscription or program is transacting in the business of insurance and is subject to the Florida Insurance Code. This definition is not intended to classify a contract directly between a service provider and a pet owner which involves only the two parties as being the business of insurance, unless other indications of insurance also exist.

(b) If a pet insurer uses any of the terms defined in paragraph (a) in a pet insurance policy, the pet insurer must use the definition of each term as provided in paragraph (a) and must include such definition in the policy. The pet insurer must also make such definitions available through a clear and conspicuous link on the main page of the website of the pet insurer or the pet insurer's program administrator.

(6)(a) A pet insurer transacting pet insurance must

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disclose the following to pet insurance applicants and policyholders:

1. Whether the policy excludes coverage due to any of the following:

a. A chronic condition;

b. A congenital anomaly or disorder;

c. A hereditary disorder; or

d. A preexisting condition.

2. If the policy includes any other exclusions not listed in subparagraph 1., the following information in a statement in the disclosure: "Other exclusions may apply. Please refer to the exclusions section of the policy for more information."

3. Any policy provision that limits coverage through a waiting period, a deductible, a coinsurance payment, or an annual or lifetime policy limit. Waiting periods and applicable requirements must be clearly and prominently disclosed to applicants before the policy purchase.

4. Whether the pet insurer reduces coverage or increases premium based on the policyholder's claims history, the age of the covered pet, or a change in the geographic location of the policyholder.

5. Whether the underwriting company differs from the brand name used to market and sell the pet insurance.

(b) Before issuing a pet insurance policy, a pet insurer shall, through a clear and conspicuous link on the main page of the pet insurer's website or the website of the pet insurer's program administrator, provide a summary description of the basis or formula for the pet insurer's determination of claim payments under the policy.

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233 1. A pet insurer that uses a benefit schedule to determine
 234 claim payments under a pet insurance policy must clearly
 235 disclose both of the following:

236 a. The applicable benefit schedule in the policy.
 237 b. All benefit schedules used by the pet insurer under its
 238 pet insurance policies through a clear and conspicuous link on
 239 the main page of the pet insurer's or pet insurer's program
 240 administrator's website.

241 2. A pet insurer that determines claim payments under a pet
 242 insurance policy based on usual and customary fees, or any other
 243 reimbursement limitation based on prevailing veterinary service
 244 provider charges, shall do both of the following:

245 a. Include a usual and customary fee limitation provision
 246 in the policy which clearly describes the pet insurer's basis or
 247 formula for determining usual and customary fees and the manner
 248 in which that basis or formula is applied in calculating claim
 249 payments.

250 b. Disclose the pet insurer's basis for determining usual
 251 and customary fees through a clear and conspicuous link on the
 252 main page of the pet insurer's or pet insurer's program
 253 administrator's website.

254 (c) If any medical examination of the pet by a veterinarian
 255 is required to effectuate coverage, the pet insurer must clearly
 256 and conspicuously disclose such requirement before the policy is
 257 purchased and must disclose that examination documentation may
 258 result in a preexisting condition exclusion.

259 (d) A pet insurer shall create a summary of all policy
 260 disclosures required in paragraphs (a), (b), and (c) in a
 261 separate document entitled "Insurer Disclosure of Important

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262 Policy Provisions." The pet insurer shall post the document
 263 through a clear and conspicuous link on the main page of the pet
 264 insurer's website or the website of the pet insurer's program
 265 administrator's.

266 (e) At the time a pet insurance policy is issued or
 267 delivered to a policyholder, the pet insurer shall provide the
 268 policyholder with a copy of the Insurer Disclosure of Important
 269 Policy Provisions document required under paragraph (d), in at
 270 least 12-point type. At such time, the pet insurer shall also
 271 include a written disclosure with all of the following:

272 1. Contact information for the Division of Consumer
 273 Services of the department, including a link and toll-free
 274 telephone number, for consumers to submit inquiries and
 275 complaints relating to pet insurance products regulated by the
 276 department or office.

277 2. The address and customer service telephone number of the
 278 pet insurance agent.

279 (f) The disclosures required in this subsection are in
 280 addition to any other disclosures required by the Florida
 281 Insurance Code or rules prescribed by the commission.

282 (7) Unless the policyholder has filed a claim under the pet
 283 insurance policy, a pet insurance applicant or policyholder may
 284 examine and return the policy or rider to the pet insurer or pet
 285 insurance agent or broker within 30 days after the applicant or
 286 policyholder obtains the receipt and is entitled to the premium
 287 refunded if, after examining the policy or rider, he or she is
 288 not satisfied for any reason.

289 (8) A pet insurance policy and rider must have a notice
 290 prominently printed on or attached to the first page which

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includes specific instructions to accomplish a return, in type at least as large as any type appearing on the policy or rider contract and in substantially the following language:

You have 30 days after the date you receive this policy, certificate, or rider to review and return it to the company if you decide not to keep it. You do not have to tell the company why you are returning it. If you decide not to keep policy, certificate, or rider, simply return it to the company at the company's administrative office, or to the insurance agent or broker from whom you bought it, as long as you have not filed a claim. You must return the policy, certificate, or rider within 30 days after the day you first receive it in order to receive a refund. The company must refund the full amount of any premium paid within 30 days after it receives the returned policy, certificate, or rider. The premium refund will be sent directly to the person who paid it. The policy, certificate, or rider will be void as if it had never been issued.

(9)(a) A pet insurer may issue a policy that excludes coverage on the basis of one or more preexisting conditions with appropriate written disclosure to the applicant or policyholder. The pet insurer has the burden of proving that the preexisting condition exclusion applies to the condition for which a claim is being made.

(b)1. A pet insurer may issue a new policy imposing a

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waiting period that does not exceed 30 days after effectuation of coverage for illnesses or diseases or for orthopedic conditions not resulting from an accident. A pet insurer may not issue a policy imposing a waiting period for accidents.

2. A pet insurer issuing a policy that imposes a waiting period must include a provision in its contract which allows the waiting period to be waived upon completion of a medical examination of the pet by a veterinarian. The pet insurer may require the examination to be conducted by a veterinarian after the purchase of the policy.

a. A medical examination required under this subparagraph must be paid for by the policyholder, unless the policy specifies that the pet insurer will pay for the examination.

b. A pet insurer may specify requirements for the examination and require documentation that the requirements have been satisfied, provided that the specifications do not unreasonably restrict the ability of the applicant or policyholder to waive the waiting period.

(c) A pet insurer may not require a medical examination of the covered pet for the policyholder to renew a policy.

(d) If a pet insurer includes any prescriptive, wellness, or noninsurance benefit in the policy form, the benefit is made part of the policy contract and must comply with all of the applicable provisions of the Florida Insurance Code.

(e) An applicant's eligibility to purchase a pet insurance policy may not be based on his or her participation, or lack of participation, in a separate wellness program.

(10)(a) A pet insurer must ensure that its agents are trained on the topics specified in paragraph (b) and that its

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agents have been appropriately trained on the coverages and
conditions of its pet insurance products.

(b) The training required under this subsection must
include information on all of the following topics:

1. Preexisting conditions and waiting periods.

2. The differences between pet insurance and noninsurance
wellness programs.

3. Chronic conditions, congenital anomalies or disorders,
and hereditary disorders and the way pet insurance policies
address those conditions or disorders.

4. Rating, underwriting, renewal, and other related
administrative topics.

(11) The commission may adopt rules necessary to administer
this section.

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



THE FLORIDA SENATE
SENATOR NICK DICEGLIE
District 18

Ben Albritton
President of the Senate

Jason Brodeur
President Pro Tempore

March 6, 2025

Dear Chair Ingoglia,

I respectfully request that **SB 1226: Pet Insurance and Wellness Programs** be placed on the agenda of the Committee on Banking and Insurance at your earliest convenience. If my office can be of any assistance to the committee, please do not hesitate to contact me at DiCeglie.Nick@flsenate.gov or (850) 487-5018. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Nick DiCeglie".

Nick DiCeglie

State Senator, District 18

Proudly Serving Pinellas County

Appropriations Committee on Transportation, Tourism, and Economic Development,
Chair ~ Governmental Oversight and Accountability, Vice Chair ~ Appropriations ~
Appropriations Committee on Agriculture, Environment, and General Government ~
Commerce and Tourism ~ Environment and Natural Resources ~ Judiciary ~ Rules ~
Joint Select Committee on Collective Bargaining

COMMITTEE: Banking and Insurance
ITEM: SB 1226
FINAL ACTION: Favorable
MEETING DATE: Monday, March 10, 2025
TIME: 1:30—3:30 p.m.
PLACE: 412 Knott Building

[illegible]

CODES: FAV=Favorable
UNF=Unfavorable
-R=Reconsidered

RCS=Replaced by Committee Substitute
RE=Replaced by Engrossed Amendment
RS=Replaced by Substitute Amendment

TP=Temporarily Postponed
VA=Vote After Roll Call
VC=Vote Change After Roll Call

WD=Withdrawn
OO=Out of Order
AV=Abstain from Voting

CourtSmart Tag Report

Room: KB 412
Caption: Senate Banking and Insurance Committee

Case No.: -

Type:
Judge:

Started: 3/10/2025 1:31:31 PM

Ends: 3/10/2025 2:16:28 PM

Length: 00:44:58

1:31:38 PM	Call to order
1:31:40 PM	Roll call
1:31:57 PM	Quorum
1:32:00 PM	Opening Remarks
1:32:06 PM	Tab 1 - SB 480
1:32:16 PM	Senator DiCeglie introduces SB 480
1:32:59 PM	Chair Ingoglia
1:33:05 PM	Senator Boyd
1:33:16 PM	Senator DiCeglie
1:34:08 PM	Senator Boyd
1:34:18 PM	Senator DiCeglie
1:34:28 PM	Senator Osgood
1:35:24 PM	Senator DiCeglie
1:35:59 PM	Senator Pizzo
1:36:09 PM	Senator DiCeglie
1:36:18 PM	Senator Pizzo
1:36:30 PM	Senator Sharief
1:36:45 PM	Senator DiCeglie
1:37:22 PM	Chair Ingoglia
1:37:25 PM	Amendment Barcode 205028
1:37:57 PM	Waives in support
1:38:18 PM	Amendment adopted
1:38:30 PM	Waives in support
1:38:47 PM	Susan Harbin, American Cancer Society Cancer Action Network, speaks against
1:40:43 PM	Chair Ingoglia
1:41:00 PM	Senator Truenow
1:41:22 PM	Senator Boyd
1:41:45 PM	Senator DiCeglie closes
1:41:54 PM	Roll call vote
1:42:14 PM	SB 480 reported favorably
1:42:33 PM	Tab 2 - SB 1226
1:42:40 PM	Senator DiCeglie
1:43:05 PM	Senator Pizzo
1:43:22 PM	Senator DiCeglie
1:43:55 PM	Roll Call vote
1:44:10 PM	SB 1226 reported favorably
1:44:16 PM	Tab 3 - SB 988
1:44:21 PM	Senator Truenow
1:44:48 PM	Chair Ingoglia
1:44:58 PM	Waives in support
1:45:26 PM	Amendment Barcode 573800
1:46:20 PM	Chair Ingoglia
1:46:27 PM	Senator Pizzo
1:46:51 PM	Senator Truenow
1:47:15 PM	Chair Ingoglia
1:47:45 PM	Senator Truenow
1:47:58 PM	Amendment adopted
1:48:14 PM	Waives in support
1:48:36 PM	Senator Truenow closes
1:48:47 PM	Roll call vote
1:49:01 PM	SB 988 reported favorably
1:49:16 PM	Tab 4 - SB 944

1:49:23 PM	Senator Davis
1:50:41 PM	Amendment barcode 925584
1:51:24 PM	Amendment adopted
1:51:27 PM	Waives in support
1:51:47 PM	Senator Davis closes
1:51:52 PM	Roll call vote
1:52:02 PM	SB 944 reported favorably
1:52:15 PM	Tab 5 - SB 756
1:52:28 PM	Senator Burton
1:53:27 PM	Amendment Barcode 371536
1:53:54 PM	Amendment adopted
1:53:57 PM	Michael McCreight, speaks in support
1:55:36 PM	Waives in support
1:55:54 PM	Alan Abramowitz, The Arc of Florida, speaks in support
1:56:55 PM	Waives in support
1:57:20 PM	Senator Sharief
1:58:08 PM	Senator Burton closes
1:58:39 PM	Roll call vote
1:59:24 PM	SB 756 reported favorably
1:59:45 PM	Tab 6 - SB 1078
1:59:53 PM	Gavel is passed from Chair Ingoglia to Vice Chair Sharief
2:00:01 PM	Senator Ingoglia
2:01:01 PM	Senator Pizzo
2:01:33 PM	Senator Ingoglia
2:01:51 PM	Senator Pizzo
2:02:06 PM	Amendment Barcode 258716
2:02:53 PM	Chief Jim Millican, Florida Fire Marshals and Florida Fire Chiefs speaks in support
2:04:02 PM	Senator Pizzo
2:04:26 PM	Chief Jim Millican
2:04:37 PM	Senator Pizzo
2:04:50 PM	Chief Jim Millican
2:05:03 PM	Senator Pizzo
2:05:20 PM	Chief Jim Millican
2:05:25 PM	Senator Pizzo
2:06:04 PM	Chief Jim Millican
2:07:00 PM	Senator Osgood
2:07:53 PM	Chief Jim Millican
2:08:03 PM	Senator Osgood
2:08:10 PM	Amendment adopted
2:08:30 PM	Senator Pizzo
2:08:44 PM	Senator Ingoglia
2:08:56 PM	Senator Pizzo
2:09:04 PM	Waives in support
2:09:28 PM	Edward Briggs, American Fire Sprinkler Association, speaks in support
2:10:49 PM	Senator Pizzo
2:11:09 PM	Edward Briggs
2:11:13 PM	Senator Pizzo
2:12:47 PM	Waives in support
2:13:12 PM	Senator Hooper
2:15:02 PM	Senator Ingoglia closes
2:15:21 PM	Roll call vote
2:15:44 PM	SB 1078 reported favorably
2:15:49 PM	Gavel is passed from Vice Chair Sharief to Chair Ingoglia
2:15:52 PM	Chair Ingoglia
2:16:01 PM	Meeting adjourned