(LYSIS AND FIS		STATEMENT s of the latest date listed below.)	
		-		Commerce and Tourism	
BILL:	SB 1132				
INTRODUCER:	Senator Truenow				
SUBJECT:	Digital Right to Repair				
DATE:	March 7, 2025	REVISED:			
ANAL	YST	STAFF DIRECTOR	REFERENCE	ACTION	
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I. Summary:

SB 1132 creates the Portable Wireless Device Repair Act, which requires manufacturers of portable wireless devices purchased or used in this state to make documentation, parts, and tools available to owners and independent repair providers.

The bill also provides civil remedies, and remedies and penalties under the Florida Deceptive and Unfair Trade Practices Act.

The bill takes effect on July 1, 2025.

II. Present Situation:

Right to Repair Laws

In recent years, state legislatures across the country have been contemplating "right to repair" laws, requiring manufacturers to share repair information and tools so that consumers may repair their products more easily and less costly.¹ This type of legislation is founded on the idea that consumers should be able to choose how to repair their products.² Advocates are concerned due to the amount of products that are utilizing computer chips and advanced technology, which are becoming increasingly difficult to repair without sending the entire product back to the manufacturer.³ Many products, ranging from cars and appliances to wheelchairs, use proprietary

¹ Luyi Wang, et al., HARV. BUS. REV., *Research: The Unintended Consequences of Right-to-Repair Laws*, available at <u>https://hbr.org/2023/01/research-the-unintended-consequences-of-right-to-repair-laws</u> (last visited Mar. 7, 2025).

² Mike Serra, *Looking Under the Hood on the Right to Repair*, 101 MICH. B.J. 34 (May 2022), available at <u>https://www.michbar.org/journal/Details/Looking-under-the-hood-on-the-right-to-repair?ArticleID=4428</u> (last visited Mar. 7, 2025).

³ Thorin Klosowski, *What You Should Know About Right to Repair*, available at <u>https://www.nytimes.com/wirecutter/blog/what-is-right-to-repair/</u> (last visited Mar. 7, 2025).

tools and parts.⁴ Manufacturers may decline to publish documents necessary for a third party or consumer to repair.⁵ The policy objectives of these laws are to ensure customers have access to manuals, schematics, and software updates, as well as diagnostic tools needed to service the product themselves.⁶ Moreover, proponents of digital right to repair legislation are concerned about reducing repair costs for consumers, minimizing electronic waste in landfills, and increasing the longevity of products.⁷

While there is a push for this type of legislation, manufacturers are concerned about electronic privacy and preservation of intellectual property.⁸ Technological advances in electronic equipment, such as fitness monitors, home security devices, and smart home appliances, have led to consumer data being collected at a higher volume.⁹ Opponents of right to repair legislation are worried that proprietary access to tools and information needed to repair these electronic products may undermine consumers' digital privacy, as diagnostic tools may provide access to an entire device and improper repair can disable security features.¹⁰ Additionally, there is a concern that unrestricted access into product software design may compromise intellectual property protections.¹¹ If proprietary knowledge is embedded in the products they sell, some manufacturers worry that trade secrets will become public knowledge when required to disclose digital locks and other information.¹²

Smartphone Repair and Prevalence

Cell phone repair is intentionally limited by manufacturers who do not wish to share proprietary information on their electronic products.¹³ As such, consumers with broken devices are limited to disposing the phone and purchasing a new one; mailing the phone back to the manufacturer to be repaired; attempting to repair the phone themselves; or seeking out an independent repair provider.¹⁴ If the consumer mails their cell phone to a manufacturer, it could take weeks to receive the fixed product back.¹⁵ If the consumer would rather spend their money locally, they also face barriers—many small repair shops cannot fix older digital devices due to manufacturer restrictions.¹⁶

⁴ Id.

 $^{^{5}}$ Id.

⁶ Id.

⁷ Brian T. Yeh, CONG. RSCH. SERV., *Repair, Modification, or Resale of Software-Enabled Consumer Electronic Devices: Copyright Law Issues*, <u>https://crsreports.congress.gov/product/pdf/R/R44590/3</u> (last visited Mar. 7, 2025).

⁸ Ike Brannon, CATO INST., A Criticism of Right to Repair Laws, available at <u>https://www.cato.org/regulation/spring-</u>2024/criticism-right-repair-laws (last visited Mar. 7, 2025).

⁹ See id.

 $^{^{10}}$ *Id*.

¹¹ Id.

 $^{^{12}}$ *Id*.

¹³ See Elaine S. Povich, Pandemic Drives Phone, Computer 'Right-to-Repair' Bills, available at <u>https://stateline.org/2021/03/11/pandemic-drives-phone-computer-right-to-repair-bills/</u> (last visited Mar. 7, 2025).

¹⁴ Yeh, *supra* note 7.

¹⁵ Povich, *supra* note 13.

¹⁶ Povich, *supra* note 13.

Currently, over 98% of Americans own a cellphone, and nine out of ten of all cell phone owners have a smartphone.¹⁷ Smartphones are not only prevalent but necessary for many people, as 15% of U.S. adults only access the internet from their smartphone because they do not subscribe to a home broadband service.¹⁸ The majority of those smartphone-dependent users are young adults and the elderly.¹⁹ Moreover, smartphone dependency most greatly affects people who make less than \$30,000 per year.²⁰

III. Effect of Proposed Changes:

Requirements

Section 7 creates s. 559.976, F.S., providing that this part applies to portable wireless devices²¹ sold or in use on or after July 1, 2025, except for such devices approved by the U.S. Food and Drug Administration.

Section 4 creates s. 559.973, F.S., mandating that a manufacturer²² must make documentation,²³ parts,²⁴ and tools²⁵ available to owners²⁶ and independent repair providers²⁷ on fair and reasonable terms.²⁸ Manufacturers are not required to provide parts that are no longer available.

restrictions/nixing_the_fix_report_final_5521_630pm-508_002.pdf?ref=cecna-io (last visited Mar. 7, 2025) ("This smartphone dependency makes repair restrictions on smartphones more likely to affect these communities adversely."). ²¹ "Portable wireless device" means a product that includes a battery, microphone, speaker, and display designed to send and receive transmissions though a cellular radio-telephone service.

²² "Manufacturer" means an individual or a business that sells, leases, or otherwise supplies new portable wireless devices, or parts of new portable wireless devices, manufactured by or on behalf of the individual or business to another individual or business.

²³ "Documentation" means a manual, a diagram, a reporting output, a service code description, a schematic, a security code or a password, or any other information used in the diagnosis, maintenance, or repair of portable wireless devices.

²⁴ "Part" means any replacement component made available by or to a manufacturer for the purpose of maintaining or repairing portable wireless devices manufactured by or on behalf of, sold by, or otherwise supplied by the manufacturer. ²⁵ "Tool" means any software program, hardware implement, or other apparatus used for diagnosing, maintaining, or

repairing portable wireless devices, including software or other mechanisms that program or repair a part, calibrate functionality, or perform any other function required to bring portable wireless devices back to fully functional condition.

²⁶ "Owner" means an individual or a business that lawfully acquires a portable wireless device purchased or used in this state. ²⁷ "Independent repair provider" means an individual or a business that does not have an arrangement with a manufacturer as an authorized repair provider and that is not affiliated with any other individual or business that has such an arrangement with the manufacturer when that individual or business diagnoses, maintains, or repairs portable wireless devices. The term includes a manufacturer or an independent repair provider that diagnoses, maintains, or repairs portable wireless devices that are not manufactured by or on behalf of, or sold or otherwise supplied by, the manufacturer.

²⁸ "Fair and reasonable terms," for purposes of obtaining a part, a tool, or documentation, means costs and terms that are equivalent to the most favorable costs and terms under which the manufacturer offers the part, tool, or documentation to an authorized repair provider, accounting for any discount, rebate, convenient and timely means of delivery, means of enabling fully restored and updated functionality, rights of use, or other incentive or preference that the manufacturer offers to an authorized repair provider or any additional cost, burden, or impediment that the manufacturer imposes on an owner or independent repair provider. For documentation, including any relevant updates, the term also means at no charge, except that, when the documentation is requested in printed form, a charge may be included for the reasonable actual costs of preparing and mailing the documentation.

¹⁷ PEW RSCH. CTR., *Mobile Fact Sheet*, available at <u>https://www.pewresearch.org/internet/fact-sheet/mobile/</u> (last visited Mar. 7, 2025).

¹⁸ Id.

¹⁹ Id.

²⁰ *Id.*; see also FED. TRADE COMM'N, Nixing the Fix: An FTC Report to Congress on Repair Restrictions, available at https://www.ftc.gov/system/files/documents/reports/nixing-fix-ftc-report-congress-repair-

Additionally, a manufacturer that sells diagnostic, service, or repair information to third parties in a standard format may not require an authorized repair provider²⁹ to continue purchasing diagnostic, service, or repair information in a proprietary format, unless otherwise specified.

Enforcement

Section 5 creates s. 559.974, F.S., requiring that an independent repair provider or owner who believes that the manufacturer failed to provide documentation, parts, or tools for diagnosis, maintenance, or repair, must notify the manufacturer in writing of this failure. The manufacturer has 30 days following receipt of notice to correct the failure. If the manufacturer responds to the notice and corrects the failure within 30 days of notice, damages in any subsequent litigation are limited to actual damages.

If the manufacturer does not respond to the notice or corrects the failure unsatisfactorily, the owner or independent repair provider may file a complaint in a specified circuit court. The complaint must include:

- Written information confirming that the independent repair provider has attempted to acquire and use, through the then-available standard support function provided by the manufacturer, relevant documentation, parts, and tools, including communicating with customer assistance; and
- Evidence of the owner or independent repair provider's written notification to the manufacturer.

Additionally, violations of this bill are punishable under the Florida Deceptive and Unfair Trade Practices Act (FDUTPA), ss. 501.201-501.213, F.S. It is unlawful under the FDUTPA for a party to take part in "unfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts of practices in the conduct of any trade or commerce."³⁰ Such practices include fraudulent billing,³¹ misleading a consumer or misrepresenting a product's characteristics,³² or other behavior determined to be unfair by a court.³³ Under the FDUTPA, the office of the state attorney or Department of Legal Affairs, either by their own inquiry or through complaints, may investigate violations of the FDUTPA.³⁴ In addition to other remedies under state and federal law, the enforcing authority may bring actions for declaratory judgment, injunctive relief, actual damages on behalf of consumers and businesses, cease and desist orders, and civil penalties up to

²⁹ "Authorized repair provider" means an individual or a business that is unaffiliated with the manufacturer and has an arrangement with the manufacturer under which the manufacturer grants to the individual or business a license to use a trade name, service mark, or other proprietary identifier for the diagnosis, maintenance, or repair of portable wireless devices under the name of the manufacturer, or any other arrangement with the manufacturer to offer services on behalf of the manufacturer. A manufacturer that offers the services of diagnosis, maintenance, or repair of portable wireless devices manufactured by the manufacturer or on the manufacturer's behalf, or sold or otherwise supplied by the manufacturer, and that does not do so exclusively through one or more arrangements as described in this subsection with an unaffiliated individual or business, is deemed to be an authorized repair provider of portable wireless devices.

³⁰ Section 501.204, F.S.

³¹ State Farm Mut. Auto. Ins. Co. v. Medical Service Center of Florida, Inc., 103 F. Supp. 3d 1343 (S.D. Fla. 2015).

³² Lewis v. Mercedes-Benz USA, LLC, 530 F. Supp. 3d 1183 (S.D. Fla. 2021); Marty v. Anheuser-Busch Companies, LLC, 43 F. Supp. 3d 1333 (S.D. Fla. 2014).

³³ See Siever v. BWGaskets, Inc., 669 F. Supp. 2d 1286, 1292-93 (M.D. Fla. 2009).

³⁴ The enforcing authority under the FDUTPA may "administer oaths and affirmations, subpoena witnesses or matter, and collect evidence." Section 501.206, F.S.

\$10,000 per violation.³⁵ Moreover, consumers may bring private actions against parties for violating the FDUTPA, resulting in either:

- Declaratory judgment and injunctive relief when the consumer is aggrieved by a FDUTPA violation; or
- Actual damages, attorney fees, and court costs, when the consumer has suffered a loss due to the FDUTPA violation.³⁶

Limitations

Section 6 creates s. 559.975, F.S., providing that this bill does not require:

- A manufacturer to divulge a trade secret,³⁷ except when necessary to provide required materials on fair and reasonable terms.
- A manufacturer or an authorized repair provider to provide an owner or independent repair provider access to nondiagnostic and nonrepair information which was provided by the manufacturer to the authorized repair provider.

Other Provisions

Section 1 creates Part XIV of ch. 559, F.S., "Digital Right to Repair."

Section 2 creates s. 559.971, F.S., providing that this part may be cited as the Portable Wireless Device Repair Act.

Section 3 creates s. 559.972, F.S., defining terms used throughout the bill.

Effective Date

Section 8 creates an effective date of July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

³⁵ Sections 501.207, 501.2077, 501.2075, 501.208, F.S.

³⁶ Sections 501.2105, 501.211, F.S.

³⁷ "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique, or process that: (a) Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Indeterminate. Manufacturers may have to adjust costs due to making repair information and tools available to customers. Repair costs may be affected by increased competition for independent repair providers.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates the following sections of the Florida Statutes: 559.971, 559.976, 559.972, 559.973, 559.974, 559.975.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

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

None.

B. Amendments:

None.

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