SB 524 by **Soto**; (Similar to CS/H 0779) Rental Agreements

707930	D	S	RCS	BI, Clemens	Delete everything after	04/07 02:14 PM
552604	AA	S	WD	BI, Smith	Delete L.56:	04/07 02:14 PM

CS/SB 632 by **HP, Garcia (CO-INTRODUCERS) Soto**; (Identical to CS/H 0403) Newborn Adrenoleukodystrophy Screening

SB 976 by **Flores**; (Identical to H 0819) Motor Vehicle Liability Insurance

303600	A	S	L	BI, Negron	Delete L.36:	04/06 02:01 PM
879882	A	S	L	BI, Negron	Delete L.102 - 108:	04/06 02:01 PM
139712	A	S	L	BI, Negron	btw L.173 - 174:	04/06 02:00 PM

CS/SB 418 by **RI, Richter**; (Similar to CS/CS/H 0087) Construction Defect Claims

The Florida Senate

COMMITTEE MEETING EXPANDED AGENDA

BANKING AND INSURANCE
Senator Benacquisto, Chair
Senator Richter, Vice Chair

MEETING DATE: Tuesday, April 7, 2015
TIME: 1:30 —3:30 p.m.
PLACE: *Toni Jennings Committee Room,* 110 Senate Office Building

MEMBERS: Senator Benacquisto, Chair; Senator Richter, Vice Chair; Senators Clemens, Detert, Hukill, Lee, Margolis, Montford, Negron, Simmons, and Smith

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	**SB 524** Soto (Similar CS/H 779)	Rental Agreements; Providing that a purchaser taking title to a tenant-occupied residential property following a foreclosure sale takes title to the property as a landlord; specifying conditions under which the tenant may remain in possession of the premises; prescribing the form for a 90-day notice of termination of the rental agreement; establishing requirements for delivery of the notice; providing exception, etc. JU 03/17/2015 JU 03/24/2015 Favorable BI 04/07/2015 Fav/CS RC	Fav/CS Yeas 9 Nays 0
2	**CS/SB 632** Health Policy / Garcia (Identical CS/H 403)	Newborn Adrenoleukodystrophy Screening; Directing the Department of Health to expand statewide screening of newborns to include screening for adrenoleukodystrophy when adopted for inclusion on the federal Recommended Uniform Screening Panel, etc. HP 03/23/2015 Fav/CS BI 04/07/2015 Favorable AP	Favorable Yeas 9 Nays 0
3	**SB 976** Flores (Identical H 819)	Motor Vehicle Liability Insurance; Revising proof of financial responsibility for damages for crashes arising out of the use of certain motor vehicles; providing insurance coverage requirements for certain lessors of a motor vehicle; deleting a requirement that the lessor of a motor vehicle is deemed the owner of the vehicle for the purpose of determining liability under certain conditions; revising liability of the lessee or operator of the motor vehicle; revising applicability; providing applicability, etc. BI 04/07/2015 Temporarily Postponed ATD AP	Temporarily Postponed

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
4	**CS/SB 418** Regulated Industries / Richter (Similar CS/CS/H 87)	Construction Defect Claims; Providing additional requirements for a notice of claim; revising requirements for a response; revising provisions relating to production of certain records, etc. RI 03/31/2015 Fav/CS BI 04/07/2015 Favorable 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 524
INTRODUCER:	Banking and Insurance Committee and Senator Soto
SUBJECT:	Rental Agreements
DATE:	April 7, 2015
REVISED:	

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Brown	Cibula	JU	**Favorable**
2.	Matiyow	Knudson	BI	**Fav/CS**
3.			RC	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 524 allows a purchaser of foreclosed property occupied by a tenant to provide notice to the tenant that has the effect of terminating the rental agreement upon delivery of the notice and terminating the occupancy of the tenant 30 days after the notice is delivered. The bill allows the tenant to remain in possession of the property for 30 days following the receipt of the notice. The new owner may collect rent during the 30 day occupancy and may not engage in prohibited practices under s. 83.67, F.S., such as terminating utilities, or preventing the tenant from having access to the property.

The effective date of the bill is on becoming law.

II. Present Situation:

Foreclosure Crisis

Starting in 2007, the Great Recession fueled a multiple-year foreclosure crisis in the United States. Between 2007 and 2009, lenders initiated approximately 6.4 million home foreclosures.[1] By the end of 2010, more than 5 million homes had been foreclosed upon, representing about 10 percent of all homes having a mortgage.[2]

[1] Lauren E. Willis, *Introduction: Why didn't the Courts Stop the Mortgage Crisis?* 43 LOY. L.A. L. REV. 1195, 1195 (2010).
[2] Tony S. Guo, *Tenants at Foreclosure: Mitigating Harm to Innocent Victims of the Foreclosure Crisis*, 4 DEPAUL J. FOR SOC. JUST. 215, 216 (2011).

The foreclosure crisis took place in three waves. The first wave was triggered by the Great Recession along with defaults on subprime loans.[3] The second wave of properties foreclosed upon were due to the increase in interest rates on adjustable-rate mortgages. And the third phase was caused by homeowners who had been keeping current on payments simply walking away from the property due to sustained loss in property values.[4]

Throughout the national foreclosure crisis, Florida consistently remained at the top of the states in numbers of foreclosed properties. As of 2009, Florida had the third highest mortgage delinquency rate, the greatest inventory of foreclosed properties, and the most foreclosure starts of any state.[5] By 2011, at 23 percent, Florida led the nation in the highest rate of homes either in foreclosure or delinquent on mortgage payments.[6]

Foreclosure cases flooded the courts. In response, the Florida Supreme Court created the "Task Force on Residential Mortgage Foreclosure Cases."[7] One of the recommendations of the task force was to require mediation for foreclosure on residential properties.[8] The Florida Supreme Court ended the mediation program in 2011.[9] Still, the number of foreclosure cases in the state continues to outpace the nation in both actual number of properties and the highest percentage of mortgages in foreclosure.[10]

Protecting Tenants at Foreclosure Act[11]

In the early years of the foreclosure crisis, tenants were routinely evicted with little or no notice or recourse. In foreclosure proceedings, all subordinate leases and interests, including rental agreements, are extinguished when the court issues a certificate of title in a foreclosure action.[12] The interests in property are extinguished in foreclosure actions because both possession and title to property are at issue and the tenants can be joined as parties.[13] Thus, after a foreclosure sale, the relationship between the new property owner and the tenant is that of owner and trespasser.[14]

In 2009, Congress passed the Protecting Tenants at Foreclosure Act (PTFA), which expired December 31, 2014. The PTFA gave protection to tenants during foreclosure. The PTFA required the successor in interest of the foreclosed property (typically the purchaser) to give tenants a notice to vacate the residence at least 90 days before the purchaser intends to occupy the residence. In situations in which a lease existed and the purchaser did not intend to occupy the residence, the tenant could stay until the end of the lease.

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[3] Subprime mortgages are mortgages offered to borrowers with less than optimal credit at higher interest rates. *Id*. at 222.
[4] Kevin F. Jursinski, *The Mortgage Foreclosure Crisis in Florida: a 21st Century Solution*, 84 FLA. B.J. 91, 91 (June 2010).
[5] *In re: Final Report and Recommendations on Residential Mortgage Foreclosure Cases*, 2009 WL 5227471 (Fla. 2009).
[6] Tony S. Guo, *supra* note 2, at 216.
[7] *In re: Task Force on Residential Mortgage Foreclosure Cases*, AOSC09-8 (March 27, 2009).
[8] *In re: Final Report and Recommendations on Residential Mortgage Foreclosure Cases*, AOSC09-54 (December 28, 2009).
[9] "After the date of this order, no new cases may be referred to mediation pursuant to the statewide managed mediation program." *In re: Managed Mediation Program for Residential Mortgage Foreclosure Cases*, AOSC11-44 (December 19, 2011).
[10] *Years to Go Before Foreclosures Return to 'Normal',* THE FLA. BAR NEWS pg. 11 (March 1, 2015).
[11] 12 U.S.C. s. 5220.
[12] Tony S. Guo, *supra* note 2, at 217.
[13] *Redding v. Stockton, Whatley, Davin & Co.* 488 So.2d 548, 549 (Fla. 5th DCA 1986).
[14] *Id.*

The Act required notice to be given only to bona fide tenants, which meant:

- the tenant could not be the mortgagor or the child, spouse, or parent of the mortgagor;
- the lease resulted from an arms-length transaction; and
- the rent was not substantially less than the fair market rent for the property unless it was reduced by a federal, state, or local subsidy.

The party seeking foreclosure must join a tenant as a party to extinguish a tenant's lease.[15] Serving tenants is advantageous to the party seeking foreclosure as the writ of possession is granted at the same proceeding, and the purchaser does not need to pursue separate legal action against the tenant.[16] At the foreclosure proceeding in which a lessee is named as a party, courts issue a writ of possession upon a simple showing by the purchaser of ownership in the property.[17] However, sometimes a tenant rents a property subsequent to the start of foreclosure proceedings. In these instances, the tenant may not have advanced notice that the property is under foreclosure. Also, the purchaser of the foreclosed property may not have notice of the tenant's occupancy or rental agreement.

The PTFA ensures that an unaware tenant receives notice that the property in which they reside is a foreclosed property. In 2010, the Florida Supreme Court amended Form 1.996(a) to ensure that courts complied with the PTFA:

> in order to ensure that the provisions of the form are not contrary to the Protecting Tenants at Foreclosure Act of 2009 … we delete the sentence from paragraph six of the form stating, "If any defendant remains in possession of the property, the clerk shall without further order of the court issue forthwith a writ of possession upon request of the person named on the certificate of title."[18]

At least one circuit court in Florida adopted by administrative order language that required the petitioner in a motion for writ of possession to conform to the PTFA:

> I HEREBY CERTIFY that there are no tenants in possession of the subject property or, if there are tenants in possession, such tenants have been provided with notice as required by the Federal Protecting Tenants at Foreclosure Act … and this motion does not seek an order that violates the tenants' right to continued occupancy under the Federal Protecting Tenants at Foreclosure Act.[19]

The PTFA expired December 31, 2014.

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[15] *Dundee Naval Stores Co. v. McDowell*, 61 So.108 (Fla. 1913); *Commercial Laundries of West Florida, Inc. v. Tiffany Square Investors Ltd. Partnership*, 605 So.2d 116 (Fla. 5th DCA 1992); *Commercial Laundries, Inc., v. Golf Course Towers Associates*, 568 So.2d 501 (Fla.3d DCA 1990).

[16] *Redding v. Stockton, Whatley, Davin,& Co.*, 488 So.2d 548, 549 (Fla. 5th DCA 1986). (Foreclosure is a case in equity, and a writ of possession is ancillary to it.).

[17] *Id*.

[18] *In re: Amendments to Fla.R.Civ.P. Form 1.996*, 51 So.3d 1140 (Fla. 2010).

[19] Administrative Order 3.307 – 7/09 (Fla. 15th Circ. Ct. 2009).

III. Effect of Proposed Changes:

Allows a purchaser of foreclosed property occupied by a tenant to provide notice to the tenant that has the effect of terminating the rental agreement upon delivery of the notice and terminating the occupancy of the tenant 30 days after the notice is delivered. The bill allows the tenant to remain in possession of the property for 30 days following the receipt of the notice. The bill provides how the notice must read. The notice must be provided by mailing or delivering to the residence as required by s. 83.56(4), F.S. The new owner can collect rent for the time the tenant occupies the property. The bill allows the new owner to file a writ of possession with the courts for any tenant that fails to vacate the premises after the 30th day from when the notice was given.

The bill provides the tenant the protections of s. 83.67, F.S., which prohibits the new owner from interrupting utility services or preventing the tenant from having access to the premise during the 30 days they are allowed to occupy under this bill. Once the rental agreement is void, all other protections of part II of ch. 83, F.S., the Florida Residential Landlord and Tenant Act do not apply.

The bill allows the new owner the ability to honor the existing rental agreement in which case they would become the landlord and part II of ch. 83, F.S., Florida Residential Landlord and Tenant Act, would apply.

As was the case under PTFA the notice requirement of the bill does not apply when:
• the tenant is the mortgagor or the child, spouse, or parent of the mortgagor;
• the lease did not result from an arms-length transaction; and
• the rental agreement allowed the tenant to pay rent that was substantially less than the fair market rent for the property unless it was reduced by a federal, state, or local subsidy.

The effective date of the bill is on becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The bill does not affect cities or counties.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The lack of information about lessees who occupy a property before the issuance of a certificate of title after a foreclosure sale may create uncertainty that affects the selling price at a foreclosure sale. If this lack of information depresses the price of a property at a foreclosure sale, the mortgagor may potentially face a larger deficiency judgment. This uncertainty may also affect the ability of a foreclosing lender to resell a property it acquires at a foreclosure sale. However, a purchaser may be willing to pay more for a property that is occupied by a tenant who has a history of making rental payments on-time.

The new owner of the property will assume all liability during the time the tenant is allowed to remain. The owner may need to purchase an insurance policy that covers liability of an occupied rental in order to insure against such risk.

C. Government Sector Impact:

The Office of the State Courts Administrator (OSCA) indicates that the guidance provided by the bill will increase the efficiency of the courts. However, OSCA is not able to accurately determine the fiscal impact of the bill because of the unavailability of necessary data.[20]

VI. Technical Deficiencies:

The notice required by the bill provides notice that the rental agreement is void upon the notice being received. The bill, however, does not contain a provision outside of the notice allowing the rental agreement to be terminated upon proper delivery of the notice.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 83.561 of the Florida Statutes.

[20] Office of the State Courts Administrator, *2015 Judicial Impact Statement* (March 13, 2015).

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 April 7, 2015:
The CS makes the following changes:

- Allows a 30 day notice to vacate may be provided to tenants of foreclosed properties that were recently purchased and title had been transferred.
- Voids the original rental agreement at time of notice and specifies only limited sections of part II of ch. 83, F.S., Florida Residential Landlord and Tenant Act shall apply.
- Allows the new owner to file a writ of possession with the courts for any tenant that fails to vacate the premises after the 30th day from when notice was given.
- Allows the new owner to honor the original rental agreement and become the landlord in which case all of part II of ch. 83, F.S., Florida Residential Landlord and Tenant Act shall apply.

B. Amendments:

None.

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

707930

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/07/2015	.	
	.	
	.	
	.	

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

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Section 83.561, Florida Statutes, is created to read:

83.561 Termination of rental agreement upon foreclosure.—

(1) If a tenant is occupying residential premises that are the subject of a foreclosure sale, upon issuance of a certificate of title following the sale, the purchaser named in

707930

the certificate of title takes title to the residential premises subject to the rights of the tenant under this section.

(a) The tenant may remain in possession of the premises for 30 days following the date of the purchaser's delivery of a written 30-day notice of termination.

(b) The tenant is entitled to the protections of s. 83.67.

(c) The 30-day notice of termination must be in substantially the following form:

NOTICE TO TENANT OF TERMINATION

You are hereby notified that your rental agreement is terminated on the date of delivery of this notice and your occupancy is terminated 30 days following the date of the delivery of this notice and that I demand possession of the premises on that ...(date).... If you do not vacate the premises by this date, I will ask the court for an order allowing me to remove you and your belongings from the premises. You are obligated to pay rent during the 30-day period for any amount that might accrue during that period. Your rent must be delivered to ...(landlord's name and address)....

(d) The 30-day notice of termination shall be delivered in the same manner as provided in s. 83.56(4).

(2) The purchaser at the foreclosure sale may apply to the court for a writ of possession based upon a sworn affidavit that the 30-day notice of termination was delivered to the tenant and the tenant has failed to vacate the premises at the conclusion of the 30-day period. If the court awards the writ of

707930

possession, the writ must be served on the tenant. The writ of possession shall be governed by s. 83.62.

(3) This section does not apply if:

(a) The tenant is the mortgagor in the subject foreclosure or is the child, spouse, or parent of the mortgagor in the subject foreclosure.

(b) The tenant's rental agreement is not the result of an arm's length transaction.

(c) The tenant's rental agreement allows the tenant to pay rent that is substantially less than the fair market rent for the premises, unless the rent is reduced or subsidized due to a federal, state, or local subsidy.

(4) This section does not preclude the purchaser from assuming the prior rental agreement of the tenant; in which case, the purchaser becomes the landlord and is governed by this part.

Section 2. 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 rental agreements; creating s. 83.561, F.S.; providing that a purchaser taking title to a tenant-occupied residential property following a foreclosure sale takes title to the property subject to the rights of the tenant; specifying the rights of the tenant; authorizing a tenant to remain in

707930

possession of the property for 30 days following receipt of a written notice; prescribing the form for a 30-day notice of termination; establishing requirements for delivery of the notice; authorizing a purchaser to apply for a writ of possession if the tenant refuses to vacate the property; providing exceptions; providing for construction; providing an effective date.

552604

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/07/2015	.	
	.	
	.	
	.	

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

Senate Amendment to Amendment (707930) (with title amendment)

Delete line 56
and insert:
Section 2. Effective January 1, 2016, section 83.491, Florida Statutes, is created to read:
83.491 Insurance requirement.—
(1) As to a written residential rental agreement under this part which is entered into or renewed on or after January 1,

552604

2016:

(a) If the rental agreement requires the tenant to obtain a tenant's insurance policy that covers loss or damage to personal property, the rental agreement must include a statement in substantially the following form:

TENANT'S INSURANCE REQUIRED

A landlord is generally not liable for loss or damage to your personal property. This rental agreement requires you to purchase and maintain a tenant's insurance policy that covers loss or damage to your personal property from a company of your choice.

(b) If the rental agreement does not require the tenant to obtain a tenant's insurance policy that covers loss or damage to personal property, the rental agreement must include a statement in substantially the following form:

LANDLORD'S LIABILITY; TENANT'S INSURANCE

A landlord is generally not liable for loss or damage to your personal property. This rental agreement does not require you to purchase or maintain a tenant's insurance policy. However, you should consider purchasing a tenant's insurance policy that covers loss or damage to your personal property from a company of your choice.

(2) The notice required by subsection (1) must be in a type

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size that is at least as large as the type size in the majority of the agreement and must be separately initialed by the tenant.

(3) An unwritten agreement or an agreement that fails to include the required notice creates a presumption that the tenant is not required to have an insurance policy that covers loss or damage to personal property.

(4) A tenant does not have a cause of action against a landlord as a result of the landlord's failure to enforce an insurance requirement. A person is not deemed to be a third-party beneficiary of a requirement to purchase tenant's insurance.

Section 3. Section 83.491, Florida Statutes, as created by this act, applies to a residential lease under part II of chapter 83, Florida Statutes, which is entered into on or after January 1, 2016.

Section 4. Except as otherwise expressly provided in this act, 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 lines 75 - 76

and insert:

exceptions; providing for construction; creating s. 83.491, F.S.; requiring a written residential rental agreement to include a statement specifying whether insurance coverage is required; providing a form for such statement; providing notice requirements; limiting the scope to written rental agreements; prohibiting a cause of action relating to a landlord's

552604

failure to enforce an insurance requirement; providing applicability; providing effective dates.

By Senator Soto

14-00703-15 2015524__

A bill to be entitled

An act relating to rental agreements; creating s. 83.561, F.S.; providing that a purchaser taking title to a tenant-occupied residential property following a foreclosure sale takes title to the property as a landlord; specifying conditions under which the tenant may remain in possession of the premises; prescribing the form for a 90-day notice of termination of the rental agreement; establishing requirements for delivery of the notice; providing exceptions; providing an effective date.

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

Section 1. Section 83.561, Florida Statutes, is created to read:

83.561 Termination of rental agreement upon foreclosure.—

(1) If a tenant is occupying residential premises that are the subject of a foreclosure sale, upon issuance of a certificate of title following the sale, the purchaser named in the certificate of title takes title to the residential premises as a landlord, subject to the rights of the tenant under paragraph (a).

(a)1. If a written rental agreement was entered into before the issuance of the certificate of title, the tenant may remain in possession of the premises until the end of the term specified in the rental agreement or at least 90 days following the date of the purchaser's delivery of a written notice of termination of the tenancy to the tenant, whichever occurs later.

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

14-00703-15 2015524__

2. If a written rental agreement was entered into before the issuance of the certificate of title, but the purchaser named in the certificate of title sells the premises to a subsequent purchaser who intends to occupy the premises as a primary residence, the subsequent purchaser may terminate the rental agreement by delivering a written 90-day notice of termination to the tenant.

3. If a written rental agreement was not entered into before the issuance of the certificate of title, the tenant may remain in possession of the premises for 90 days following delivery of the written 90-day notice of termination.

(b) The 90-day notice of termination must be in substantially the following form:

You are hereby notified that your rental agreement is terminated effective 90 days following the date of the delivery of this notice or the end of the term specified in your written rental agreement, whichever occurs later, and that I demand possession of the premises on that date. You are still obligated to pay rent during the 90-day period or the remainder of the term of your rental agreement, in the same amount that you have been paying. Your rent must be delivered to ...(landlord's name and address)....

(c) The 90-day notice of termination shall be delivered in the same manner as provided in s. 83.56(4).

(2) Subsection (1) does not apply if:

(a) The tenant is the mortgagor in the subject foreclosure

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

or the child, spouse, or parent of the mortgagor in the subject foreclosure, unless the property is a multiunit residential structure and other tenants occupy units of the structure.

(b) The tenant's rental agreement is not the result of an arm's-length transaction.

(c) The tenant's rental agreement allows the tenant to pay rent that is substantially less than the fair market rent for the premises, unless the rent is reduced or subsidized due to a federal, state, or local subsidy.

Section 2. This act shall take effect upon becoming a law.

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

THE FLORIDA SENATE

APPEARANCE RECORD

S

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/6/15
Meeting Date

524
Bill Number (if applicable)

Topic Rental Agreements

Amendment Barcode (if applicable)

Name Kenneth Pratt

Job Title Senior VP of Government Affairs

Address 1001 Thomasville Rd, Ste 200
Street

Phone 850-224-2265

Tallahassee FL 32303
City *State* *Zip*

Email kpratt@floridabankers.com

Speaking: ☑ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Florida Bankers Association

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

5

4/7/15
Meeting Date

524
Bill Number (if applicable)

Topic Tenants

Amendment Barcode (if applicable)

Name Alice Vickers

Job Title Attorney

Address 623 Beard St.
Street

Tallahassee, FL 32303
City *State* *Zip*

Phone 850 556 3121

Email alicevickers@flacp.org

Speaking: ☑ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing FL Alliance for Consumer Protection

Appearing at request of Chair: ☐ Yes ☑ No

Lobbyist registered with Legislature: ☑ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

W

4/7/15
Meeting Date

524
Bill Number (if applicable)

Topic Rental Agreements

Amendment Barcode (if applicable)

Name Arthur Rosenberg

Job Title Attorney

Address 3000 Biscayne BLVD, #102
Street

Phone 850-509-2085

Miami FL 33137
City *State* *Zip*

Email arthur@floridalegal.org

Speaking: ☐ For ☐ Against ☐ Information

Waive Speaking: ☑ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Florida Legal Services

Appearing at request of Chair: ☐ Yes ☑ No

Lobbyist registered with Legislature: ☑ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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

S-001 (10/14/14)

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 632
INTRODUCER:	Health Policy Committee and Senator Garcia and others
SUBJECT:	Newborn Adrenoleukodystrophy Screening
DATE:	April 7, 2015
REVISED:	

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Lloyd	Stovall	HP	**Fav/CS**
2.	Johnson	Knudson	BI	**Favorable**
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 632 directs the Department of Health (department) to adopt rules to require newborns to be tested for adrenoleukodystrophy (ALD) as soon as ALD is adopted on the federal Recommended Uniform Screening Panel.

Once ADL screening is added by rule, the Agency for Health Care Administration (agency) reports a negative first year fiscal impact of $2,146,344 relating to Medicaid coverage and the department an additional negative impact of $2,683,100 relating to implementation.

II. Present Situation:

What is Adrenoleukodystrophy?

Adrenoleukodystrophy (ALD) is a genetic disorder that damages myelin, the sheath that surrounds the brain's neurons. The disorder affects approximately 1 in 18,000 people with the most devastating form appearing in childhood.[1] Women have two X chromosomes and are the carriers of the disease, but since men only have one X chromosome, they are more severely affected by the disorder.[2] While nearly all patients with the disorder suffer from adrenal

[1] The Stop ALD Foundation, *What is ALD?* http://www.stopald.org/what-is-ald/ (last visited: Mar. 19, 2015).
[2] The Cleveland Clinic, *Diseases and Conditions - Adrenoleukodystrophy (ALD),* http://my.clevelandclinic.org/health/diseases_conditions/hic_What_is_Adrenoleukodystrophy (last visited Mar. 19, 2015).

insufficiency, also known as Addison's disease,[3] the neurological symptoms can begin in either childhood or in adulthood.[4] The most common symptoms for children include behavioral changes such as abnormal withdrawal or aggression, memory loss, and drops in school performance.[5] Later symptoms might include: visual loss, learning disabilities, seizures, speech problems, swallowing difficulties, deafness, coordination issues, fatigue, and progressive dementia. Women may develop symptoms, but they usually experience milder forms of the disorder than those seen in boys and men.[6]

Federal Recommendations for Newborn Screening

The United States Department of Health and Human Services Discretionary Advisory Committee on Heritable Disorders in Newborns and Children (DACHDNC or committee) develops recommendations on the most appropriate policies, guidelines and standards for universal newborn screening tests. The mission of the committee is to reduce morbidity and mortality in newborns who have, or are at risk, for heritable diseases.[7]

The committee has established a Uniform Screening Panel that screens for 31 core disorders and 26 secondary disorders and recommends every state incorporate this panel into their screening program.[8] Additional conditions may be nominated for inclusion on the Recommended Uniform Screening Panel (RUSP). A Nomination and Prioritization Workgroup reviews the nomination and decides if there is sufficient information for the condition to move on to the Condition Review Workgroup, which is responsible for the final report to the DACHDNC.

In 2012 ALD was nominated for inclusion on the RUSP, but was not forwarded to the Condition Review Workgroup based on lack of sufficient data.[9] At the January 2014 meeting, ALD was nominated and a preliminary report from the Condition Review Workgroup was presented on February 12, 2015.[10] A decision from that meeting is not yet available.

The HHS Secretary makes the final decision as to whether or not a condition is added to the RUSP.[11]

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[3] Addison's disease is a disorder of the adrenal glands. In Addisons's, the glands produce an insufficient level of the hormone which controls the body's levels of sugar, sodium, and potassium. *see Supra* note 1.
[4] *Supra*, note 2.
[5] Id.
[6] Id.
[7] U.S. Department of Health and Human Services, *Advisory Committee on Heritable Disorders in Newborns and Children*, http://www.hrsa.gov/advisorycommittees/mchbadvisory/heritabledisorders/ (last visited Mar. 19, 2015).
[8] Id.
[9] U.S. Department of Health and Human Services, *Letter to Charles Peters, M.D. and Amber Salzman, Ph.D.*, (October 1, 2012), http://www.hrsa.gov/advisorycommittees/mchbadvisory/heritabledisorders/nominatecondition/reviews/alddecisionletter.pdf (last visited Mar. 19, 2015).
[10] Alex R. Kemper, M.D., M.P.H., M.S., Duke Clinical Research Institute, *Newborn Screening for X-Linked Adrenoleukodystrophy (X-ALD): Preliminary Report from the Condition Review Workgroup*, (February 12, 2015) http://www.hrsa.gov/advisorycommittees/mchbadvisory/heritabledisorders/meetings/2015/sixth/crupdatealdkemper2.pdf (last visited Mar. 19, 2015).
[11] U.S. Department of Health and Human Services, *Advisory Committee on Heritable Disorders in Newborns and Children*, *Nominate a Condition*,

Florida Newborn Screening Program

Section 383.14, F.S., directs the department to conduct newborn screenings for metabolic, hereditary, and congenital disorders that result in the significant impairment of health or intellect, as programs that are accepted by current medical practice become available. Today, the Florida Newborn Screening Program screens for 31 core conditions and 22 secondary conditions, including all disorders recommended by committee and that have been added to the RUSP.[12] For the month of January 2015 only, more than 21,000 newborns were screened under the current program, with the majority of those occurring in a hospital setting.[13] For non-newborn intensive care patients, the age requirement for the screening collection is at least 24 hours of age.[14] Any parent's refusal to screening must be in writing and noted in the record. The screenings are funded through the billing of Medicaid and private insurance and a $15 fee paid by birthing facilities for each live birth. Uninsured families are not billed.

The Florida Genetics and Newborn Screening Advisory Council (advisory council) is established under s. 383.14, F.S., and its responsibilities include advising the department about:

- Conditions for which testing should be included under the screening program and the genetics program;
- Procedures for collection and transmission of specimens and recording of results; and
- Methods whereby screening programs and genetics services for children now provided or proposed to be offered in this state may be more efficiently evaluated, coordinated, and consolidated.[15]

According to the department, the advisory council reviews each DACHDNC recommendation using its own criteria before adding a new screening to Florida's program. Those considerations include:

- The disorder is known to result in significant impairment in health, intellect, or functional ability if not treated before clinical signs appear;
- The disorder can be detected using screening methods which are accepted by current medical practice;
- The disorder can be detected prior to the infants' becoming 2 weeks of age, or at the appropriate age as accepted medical practice indicates; or
- After screening for the disorder, reasonable cost benefits can be anticipated through a comparison of tangible program costs with those medical, institutional, and special educational costs likely to be incurred by an undetected population.[16]

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http://www.hrsa.gov/advisorycommittees/mchbadvisory/heritabledisorders/nominatecondition/index.html (last visited Mar. 19, 2015).

[12] Department of Health, *Disorder List*, http://www.floridahealth.gov/programs-and-services/childrens-health/newborn-screening/nbs-disorder.html (last visited Mar. 19, 2015).

[13] Department of Health, *Newborn Screening Program Profile Data*, http://www.floridahealth.gov/programs-and-services/childrens-health/newborn-screening/_documents/jan15infprof.pdf (last visited Mar. 19, 2015).

[14] Department of Health, *Hospitals*, http://www.floridahealth.gov/programs-and-services/childrens-health/newborn-screening/nbs-hosp.html (last viewed Mar. 19, 2015).

[15] Section 318.14(5), F.S.

[16] Department of Health, *Senate Bill 632 Analysis* (January 28, 2015) pg. 3, (on file with Senate Committee on Health Policy).

As of January 2015, ALD has not been added to the Florida Newborn Screening panel of disorders.

III. Effect of Proposed Changes:

CS/SB 632 amends s. 383.14, F.S., to direct the department to adopt rules to require newborns to be screened before one week of age for adrenoleukodystrophy (ALD), a genetic disorder, as soon as ALD is adopted for inclusion on the federal Recommended Uniform Screening Panel. This disorder is not currently screened.

It is uncertain when ALD will be included on the federal Recommended Uniform Screening Panel. When the department does add ALD screening to the list of disorders or diseases for which newborns must be screened, budget authority to cover the costs of conducting additional tests would be required. If the Legislature does not provide this budget authority, it is unlikely that the act can be implemented.

The bill provides an effective date of July 1, 2015.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The cost to the private sector is indeterminate. Those that are insured and have coverage for the current newborn screenings may or may not see an increase related to the implementation of the ALD screening. Based on the originally filed bill, the agency estimated the cost of the screening to be $16.50 per newborn at the current Medicaid rate. The department estimated the cost at $18.91 at the current Medicare rate for

implementation of the original bill.[17,18] Approximately 50 percent of the 21,000 Florida births that were recorded in January 2015 were likely covered under Medicaid and the remainder were covered through private insurance or uninsured.[19]

Depending on when the ALD is added to the RUSP, the fiscal impact could be higher or lower to the private sector.

C. Government Sector Impact:

The Legislature must decide whether to fund the fiscal impact related to the implementation of CS/SB 632 once the ALD screening is added to the RUSP. The following estimates assume an appropriation has been provided.

Agency for Health Care Administration[20]

The agency will incur on-going costs to add the ALD screening for Medicaid newborns once it is added to the RUSP.

Annual screening costs were based on the current unit cost of $16.50 and the estimated number of Medicaid newborns. The estimated number of Medicaid newborns was increased each year by 1.22 percent, which is the most recent increase rate from the Florida Vital Statistics Annual Report.

Agency for Health Care Administration - Fiscal Impact		
SFY 2015-2016	**FED/STATE**	**COSTS**
Federal	60.51%	$1,298,753
State	39.49%	$847,591
TOTAL:	Medicaid Newborns 131,081	**$2,146,344**
SFY 2016-17	**FED/STATE**	**COSTS**
Federal	61.18%	$1,329,154
State	38.82%	$843,377
TOTAL:	Medicaid Newborns 131,669	**$2,172,531**
SFY 2017-18	**FED/STATE**	**COSTS**
Federal	61.41%	$1,350,424
State	38.59%	$848,605
TOTAL:	Medicaid Newborns 133,275	**$2,199,029**

[17] Agency for Health Care Administration, *House Bill 403 Analysis* (January 22, 2015) p.5, (on file with the Senate Committee on Health Policy).
[18] Department of Health, *Senate Bill 632 Analysis* (January 28, 2015) pg. 5, (on file with the Senate Committee on Health Policy).
[19] Department of Health, Division of Public Health Statistics and Performance Management, *Births Covered by Medicaid - 2013*, http://www.floridacharts.com/charts/DataViewer/BirthViewer/BirthViewer.aspx?cid=595 (last viewed Mar. 19, 2015).
[20] Agency for Health Care Administration, *House Bill 403 Analysis,* (January 22, 2015) pg. 5, (on file with the Senate Committee on Health Policy).

Department of Health[21]

Revenues

The Department of Health projects revenues of $567,300 to $850,950 based on collections paid for the additional screening at the current Medicare rate of $18.91for CPT code 82016.

Expenditures	Costs
Newborn Screening Laboratory 300,000 specimens ($8.50/specimen) each year *The price is based on the analysis being performed using the laboratory set up inside the Bureau of Public Health Laboratories facility. When the test for ALD becomes commercially available (12 to 18 months), it will be added to existing test kits and the ALD marker can be tested with the other disorders.*	$2,550,000
Newborn Screening Follow-Up Program *Non-recurring funds needed to incorporate the ALD screening and follow-up actions for handling modifications to the existing data system*	$50,000
Newborn Screening Genetic Centers 3 Genetic Centers ($27,000/centers/year) *The centers are located at the University of Miami, the University of South Florida, and the University of Florida and would handle the presumptively positive results and provide diagnostic evaluation.*	$83,100

The fiscal impact amount could increase or decrease based on the actual date that ALD is added to the RUSP.

VI. Technical Deficiencies:

The bill takes effect July 1, 2015; however, the requirement for the department to implement the screening is contingent on such screening being adopted for inclusion on the federal Recommended Uniform Screening Panel. It is unclear how the department would prepare for an unknown implementation date for which the department has indicated would require at least 9-12 months to implement for the following reasons:[22]

- The newborn screening laboratory would need to be set up and ready for testing for ALD.
- Educational materials would need to be developed for parents, including the newborn screening brochure.
- Newborn screening genetic contracts would need amending to include ALD referrals.
- Funding would need to be obtained to offset the costs of screening as Medicaid does not currently recognize ALD screening billing codes.

[21] Department of Health, *Senate Bill 632 Analysis* (January 28, 2015), pgs. 5-6, (on file with the Senate Committee on Health Policy).
[22] Department of Health, *CS/SB 632 Analysis* (March 23, 2015) (on file with Senate Committee on Banking and Insurance).

VII. Related Issues:

The committee substitute requires an appropriation for increased Medicaid services, implementation and ongoing operations. If the adoption of the screening occurs during a fiscal year where no budget authority has been provided for this contingency, it is unclear how the department and the agency would comply with the statutory requirements.

VIII. Statutes Affected:

This bill substantially amends section 383.14 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 Health Policy on March 23, 2015:
The committee substitute:

- Removed requirement for the department to adopt rules requiring newborns receive ALD testing effective July 1, 2015;
- Removed mandated insurance coverage and Medicaid coverage requirements for ALD newborn screening; and
- Expands statewide screening for ALD as soon as ALD screening is adopted for inclusion on the federal Recommended Uniform Screening Panel.

B. Amendments:

None.

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

By the Committee on Health Policy; and Senators Garcia and Soto

588-02732-15 2015632c1

A bill to be entitled

An act relating to newborn adrenoleukodystrophy screening; amending s. 383.14, F.S.; directing the Department of Health to expand statewide screening of newborns to include screening for adrenoleukodystrophy when adopted for inclusion on the federal Recommended Uniform Screening Panel; providing an effective date.

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

Section 1. Subsection (2) of section 383.14, Florida Statutes, is amended to read:

383.14 Screening for metabolic disorders, other hereditary and congenital disorders, and environmental risk factors.—

(2) RULES.—After consultation with the Genetics and Newborn Screening Advisory Council, the department shall adopt and enforce rules requiring that every newborn in this state shall, before ~~prior to~~ becoming 1 week of age, be subjected to a test for phenylketonuria and, at the appropriate age, be tested for such other metabolic diseases and hereditary or congenital disorders as the department may deem necessary from time to time. The department shall expand statewide screening of newborns to include screening for adrenoleukodystrophy as soon as adrenoleukodystrophy is adopted for inclusion on the federal Recommended Uniform Screening Panel. After consultation with the Office of Early Learning, the department shall also adopt and enforce rules requiring every newborn in this state to be screened for environmental risk factors that place children and their families at risk for increased morbidity, mortality, and

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

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other negative outcomes. The department shall adopt such additional rules as are found necessary for the administration of this section and s. 383.145, including rules providing definitions of terms, rules relating to the methods used and time or times for testing as accepted medical practice indicates, rules relating to charging and collecting fees for the administration of the newborn screening program authorized by this section, rules for processing requests and releasing test and screening results, and rules requiring mandatory reporting of the results of tests and screenings for these conditions to the department.

Section 2. This act shall take effect July 1, 2015.

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

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

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

BILL:	SB 976
INTRODUCER:	Senator Flores
SUBJECT:	Motor Vehicle Liability Insurance
DATE:	April 6, 2015
REVISED:	

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Knudson	Knudson	BI	**Pre-meeting**
2.			ATD	
3.			AP	

I. Summary:

SB 976 establishes a motor vehicle financial responsibility requirement that applies when a lessor rents or leases a motor vehicle for less than 1 year to a nonresident. The bill is intended to address the federal "Graves Amendment," which preempts any state law that would hold companies that rent or lease vehicles vicariously liable for harm to persons or property that results from the use, operation, or possession of the rented leased vehicle. The Graves Amendment, however, does not supersede state motor vehicle financial responsibility laws.

Under the bill, the lessor must require the nonresident lessee to have bodily injury liability coverage (BI) with limits of at least $100,000 per person and $300,000 per accident, and property damage coverage (PD) of at least $50,000. The lessor may provide the required coverage to the nonresident lessee and may charge the lessee for the coverage if the amount of the charge is separately detailed in the rental agreement. If use of the motor vehicle gives rise to liability and the motor vehicle is uninsured or fails to meet the requirements for nonresident lessees, the lessor is liable for up to $100,000 per person and $300,000 per incident for bodily injury damages, up to $50,000 for property damages, and up to an additional $500,000 in economic damages arising out of the use of the motor vehicle.

II. Present Situation:

Florida's Financial Responsibility Law

Florida's financial responsibility law requires proof of ability to pay monetary damages for bodily injury and property damage liability arising out of a motor vehicle accident or serious traffic violation.[1] The owner and operator of a motor vehicle need not demonstrate financial responsibility, i.e., obtain BI and PD coverages, until *after the accident*.[2] At that time, a driver's

[1] See Chapter 324, F.S.
[2] Section 324.011, F.S.

financial responsibility is proved by the furnishing of an active motor vehicle liability policy. The minimum amounts of liability coverages required are $10,000 in the event of bodily injury to, or death of, one person, $20,000 in the event of injury to, or death of, two or more persons, and $10,000 in the event of damage to property of others, or $30,000 combined BI/PD policy.[3] The driver's license and registration driver who fails to comply with the security requirement to maintain PIP and PD insurance coverage is subject to suspension.[4] A driver's license and registration may be reinstated by obtaining a liability policy and by paying a fee to the Department of Highway Safety and Motor Vehicles.[5]

Financial responsibility requirements are common. All states have financial responsibility laws which require persons involved in auto accidents (or serious traffic infractions) to furnish proof of BI and PD liability insurance. The minimum coverage amounts vary among the states.

Pre 1999 –Vicarious Liability for Dangerous Instrumentalities

Vicarious liability is a court-created doctrine that imposes indirect legal responsibility based upon the nature of the relationship between two parties. The party of authority can be held liable for the negligent acts of the other, even though the party of authority was not negligent itself. The doctrine has been described as typically reflecting a policy decision to allocate risks associated with a business enterprise.

In 1920, the Florida Supreme Court applied vicarious liability to the owners of motor vehicles in its decision of *Southern Cotton Oil Co. v. Anderson*.[6] In that case, the Florida Supreme Court held that an automobile is a dangerous instrumentality and an automobile owner may be held liable for injuries caused by the negligence of someone entrusted to use the automobile. The decision first noted that automobiles are dangerous agencies, basing its determination on the large number of automobile accidents and government regulation of their use.[7] Given that the automobile is a dangerous instrumentality, the Court reasoned that vicarious liability should attach to the owner of an automobile just as the doctrine applies to other dangerous instrumentalities.[8]

In 1959, the Florida Supreme Court decided *Susco Car Rental System v. Leonard*, which extended the dangerous instrumentality doctrine to lessors, thereby making them vicariously liable for the lessee's negligent operation of the automobile.[9] The Florida Supreme Court held that when control of a rental automobile is voluntarily relinquished, the owner is vicariously liable for damages caused by an automobile accident unless theft or conversion of the automobile occurred.[10]

[3] Section 324.022, F.S.
[4] Section 324.0221(2), F.S.
[5] Section 324.0221(3), F.S.
[6] 86 So. 629 (Fla. 1920).
[7] 86 So. 629 at 634 (Fla. 1920).
[8] 86 So. 629 at 636 (Fla. 1920).
[9] 112 So.2d 832 (Fla. 1959).
[10] 112 So.2d 832 at 835, 836 (Fla. 1959).

1999 – Florida Limits Vicarious Liability

In August 1997, the Senate President appointed an 11-member Select Senate Committee on Litigation Reform to conduct hearings to assess the effects of the civil litigation environment on economic development and job-creation efforts in the state. The select committee was charged with ascertaining what civil litigation reforms, if any, would enhance the economic development climate of the state while continuing to preserve the rights of citizens to seek redress through the judicial system. The select committee conducted a series of public meetings from September 1997 through early 1998. Testimony was solicited on key litigation topics from a variety of civil legal practitioners, representatives of interests in the area of civil litigation, and representatives of a judicial task force created by the Supreme Court to monitor the Legislature's efforts on litigation reform. The select committee developed and discussed specific issues within each topic. In February 1998, the select committee issued its report and recommendations on litigation reform to the Senate President, which included corresponding draft legislation. Among the principal topics explored by the committee was vicarious liability.

In 1999 the Legislature limited the amount of damages that may be awarded under Florida's common law dangerous instrumentality doctrine.[11] The limit on the vicarious liability of rental companies[12] is in s. 324.021(9)(b)2., F.S. The statute applies when a motor vehicle owner rents or leases a motor vehicle for a period less than 1 year. The vicarious liability of the owner to a third party for injury or damage to a third party due to the operation of the vehicle by an operator or lessee is limited to $100,000 per person and $300,000 per occurrence for bodily injury and $50,000 for property damage. Vicarious liability is not limited by the statute if there is a showing of negligence or intentional misconduct on the part of the owner. If the lessee or operator of the motor vehicle has less than $500,000 combined property and bodily injury liability insurance, then the lessor is liable for an additional cap of $500,000 in economic damages which shall be reduced by any amount actually recovered from the lessee, the operator or insurer of the lessee or operator. A subsequent subparagraph[13] applies the same vicarious liability limitations to owners who are natural persons and who lend their vehicles to permissive users, including relatives who live in their household.

2006 – Federal Graves Amendment Preempts Vicarious Liability

Federal law, through the "Graves Amendment"[14] preempts any state law that would hold companies that rent or lease vehicles vicariously liable for harm to persons or property that results from the use, operation, or possession of the rented leased vehicle. The Graves Amendment does not apply if the owner or its affiliate is negligent or engages in criminal wrongdoing. The amendment also does not supersede state motor vehicle financial responsibility laws.

[11] Chapter 99-225, Laws of Florida (1999).
[12] A "rental company" is defined by s. 324.021(9)(c), F.S., as an entity engaged in the business of renting or leasing motor vehicles to the general public or leases a majority of its motor vehicles to persons with not direct or indirect affiliation with the rental company. The term includes a motor vehicle dealer that provides temporary replacement vehicles to its customers for up to 10 days.
[13] Section 324.021(9)(b)3., F.S.
[14] 49 U.S.C. 30106

2011 - Vargas v. Enterprise Leasing Company

In *Vargas v. Enterprise Leasing Company*, the Florida Supreme Court[15] held that the federal Graves Amendment preempts s. 324.021(9)(b)2., F.S. The Florida Supreme Court determined that s. 324.021(9)(b)2., F.S., is not a financial responsibility law but rather is a law that limits the vicarious liability of short-term motor vehicle lessors.[16] Accordingly, the state statute is not exempted from the Graves Amendment and is preempted. As a result, short term motor vehicle lessors, such as rental car companies, may not be held vicariously liable for damages caused by the motor vehicles they rent.[17]

III. Effect of Proposed Changes:

Section 1 amends s. 324.021, F.S., establishing a motor vehicle financial responsibility requirement that applies when a lessor rents or leases for less than 1 year a motor vehicle to a nonresident. The lessor must require the nonresident lessee to have bodily injury liability coverage with limits of at least $100,000 per person and $300,000 per accident, and property damage coverage of at least $50,000. The lessor may provide the required coverage to the nonresident lessee and may charge the lessee for the coverage if the amount of the charge is separately detailed in the rental agreement.

If use of the motor vehicle gives rise to liability and the motor vehicle is uninsured or fails to meet the requirements for nonresident lessees, the lessor is liable for up to $100,000 per person and $300,000 per incident for bodily injury damages, up to $50,000 for property damages, and up to an additional $500,000 in economic damages arising out of the use of the motor vehicle.

Section 2 of the bill states that the amendments made by this act are intended to clarify that Florida law imposes financial responsibility, as that term is used in 49 U.S.C. s. 30106(b), for lessors and nonresident lessees of a motor vehicle. This section specifies that the Graves Amendment will not apply to accidents giving rise to liability when a car is rented to a nonresident lessee.

Section 3 provides an effective date of July 1, 2015.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

[15] 60 So.3d 1037 (2011).
[16] 60 So.3d 1037 at 1042, 1043 (2011).
[17] Rental car companies remain liable for their own negligence or criminal wrongdoing that cause damages, as liability for such conduct is not eliminated by the Graves Amendment.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

Application of an additional, higher motor vehicle financial responsibility to nonresident short term lessees may implicate the Privileges and Immunities Clause of the United States Constitution. The clause that the "Citizens of each State shall be entitled to all Privileges and Immunities of Citizens in the several States." *See* Art. IV, s. 2, U.S. Const. The clause has been interpreted as a limitation on a state's ability to treat residents and non-residents differently in some situations. A court must consider whether the challenged statute burdens one of the privileges and immunities protected by the constitution.[18] Even if the statute does burden one of the privileges and immunities, it may be upheld if the state has a "substantial reason" for the difference in treatment of residents and non-residents.[19] Privileges protected by the clause must be fundamental.[20] The court has most often considered the clause in cases involving employment restrictions[21] and has upheld differing treatment in cases unrelated to employment.[22] If this bill were challenged as a violation of the privileges and immunities clause, the court would have to determine whether the imposition of different insurance requirements on residents and non-residents burdens a privilege protected by the clause. If the court finds that it does, it must determine whether there is a substantial reason for differing treatment.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill requires nonresidents who rent or lease for less than 1 year a motor vehicle to have bodily injury liability coverage of at least $100,000/$300,000 and property damage liability coverage of at least $50,000. This will require nonresidents who cannot provide proof of insurance in these amounts to purchase coverage from rental car companies.

The bill holds the lessor of a motor vehicle liable for damages caused by a vehicle rented or leased for less than 1 year to a nonresident if the nonresident is uninsured or underinsured. The liability attached to the lessor is up to $100,000 per person and $300,000 per incident for bodily injury, up to $50,000 in property damage, and an

[18] *See United Bldg. and Const. Trades Council of Camden County v. City of Camden*, 465 US 208, 218 (1984).
[19] *Id.* at 222.
[20] *See McBurney v. Young*, 133 S. Ct. 1709 (2013).
[21] *Id*. at 1715 (discussing employment cases where the Privileges and Immunities clauses was at issue).
[22] *Id*.; *See Baldwin v. Fish and Game Commission of Montana*, 436 US 371 (1978) (upholding statute imposing different fees for elk hunting on state residents and non-residents).

additional $500,000 in economic damages that arise out of the use of the motor vehicle rented or leased by the nonresident.

Persons injured by a motor vehicle rented or leased for less than 1 year by a nonresident will have a greater ability to effectively recover damages for bodily injury and property damage.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

The proposed amendatory language on lines 102 through 108 appears duplicative of the amendatory language on lines 89-96.

The bill creates a financial responsibility requirement for leases and auto rentals that last less than 60 days. Auto rental companies may be unable to sell coverage that lasts longer than 60 days because under s. 626.321(1)(d)2., F.S., the limited license for motor vehicle rental insurance prohibits the sale of a policy with a term in excess of 60 days. Additionally, such a policy may only be renewed once.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 324.021 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.

303600

LEGISLATIVE ACTION

Senate . House

. . . . .

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

Senate Amendment

Delete line 36
and insert:
(e) With respect to motor vehicles rented or leased in this state, in the

879882

LEGISLATIVE ACTION

Senate . House

. . . . .

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

Senate Amendment

Delete lines 102 - 108
and insert:
lessee or operator.

139712

LEGISLATIVE ACTION

Senate . House

. . . . .

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

Senate Amendment (with title amendment)

Between lines 173 and 174
insert:

Section 3. Paragraph (d) of subsection (1) of section 626.321, Florida Statutes, is amended to read:

626.321 Limited licenses.—

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

insurance:

(d) *Motor vehicle rental insurance.*—

1. License covering only insurance of the risks set forth in this paragraph when offered, sold, or solicited with and incidental to the rental or lease of a motor vehicle and which applies only to the motor vehicle that is the subject of the lease or rental agreement and the occupants of the motor vehicle:

a. Excess motor vehicle liability insurance providing coverage in excess of the standard liability limits provided by the lessor in the lessor's lease to a person renting or leasing a motor vehicle from the licensee's employer for liability arising in connection with the negligent operation of the leased or rented motor vehicle.

b. Insurance covering the liability of the lessee to the lessor for damage to the leased or rented motor vehicle.

c. Insurance covering the loss of or damage to baggage, personal effects, or travel documents of a person renting or leasing a motor vehicle.

d. Insurance covering accidental personal injury or death of the lessee and any passenger who is riding or driving with the covered lessee in the leased or rented motor vehicle.

2. Insurance under a motor vehicle rental insurance license may be issued only if the lease or rental agreement is for <u>less</u> ~~no more~~ than <u>1 year</u> ~~60 days~~, the lessee is not provided coverage for more than <u>364</u> ~~60~~ consecutive days per lease period, and the lessee is given written notice that his or her personal insurance policy providing coverage on an owned motor vehicle may provide coverage of such risks and that the purchase of the

insurance is not required in connection with the lease or rental of a motor vehicle, unless it is required under s. 324.021(9)(b). If the lease is extended beyond 364 ~~60~~ days, the coverage may be extended once ~~one time only~~ for a period not to exceed an additional 364 ~~60~~ days. Insurance may be provided to the lessee as an additional insured on a policy issued to the licensee's employer.

3. The license may be issued only to the full-time salaried employee of a licensed general lines agent or to a business entity that offers motor vehicles for rent or lease if insurance sales activities authorized by the license are in connection with and incidental to the rental or lease of a motor vehicle.

a. A license issued to a business entity that offers motor vehicles for rent or lease encompasses each office, branch office, employee, authorized representative located at a designated branch, or place of business making use of the entity's business name in order to offer, solicit, and sell insurance pursuant to this paragraph.

b. The application for licensure must list the name, address, and phone number for each office, branch office, or place of business that is to be covered by the license. The licensee shall notify the department of the name, address, and phone number of any new location that is to be covered by the license before the new office, branch office, or place of business engages in the sale of insurance pursuant to this paragraph. The licensee must notify the department within 30 days after closing or terminating an office, branch office, or place of business. Upon receipt of the notice, the department shall delete the office, branch office, or place of business

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from the license.

c. A licensed and appointed entity is directly responsible and accountable for all acts of the licensee's employees.

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

And the title is amended as follows:

Delete lines 11 - 12

and insert:

operator of the motor vehicle; revising the applicability of certain provisions relating to financial responsibility requirements and limits on liability; amending s. 636.321, F.S.; extending the length of a lease or rental agreement for which motor vehicle rental insurance may be issued; conforming provisions to changes made by the act; providing an effective date.

By Senator Flores

37-00636-15 2015976__

A bill to be entitled

An act relating to motor vehicle liability insurance; amending s. 324.021, F.S.; revising proof of financial responsibility for damages for crashes arising out of the use of certain motor vehicles; providing insurance coverage requirements for certain lessors of a motor vehicle; deleting a requirement that the lessor of a motor vehicle is deemed the owner of the vehicle for the purpose of determining liability under certain conditions; revising liability of the lessee or operator of the motor vehicle; revising applicability; providing applicability; providing an effective date.

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

Section 1. Subsections (7) and (9) of section 324.021, Florida Statutes, are amended to read:

324.021 Definitions; minimum insurance required.—The following words and phrases when used in this chapter shall, for the purpose of this chapter, have the meanings respectively ascribed to them in this section, except in those instances where the context clearly indicates a different meaning:

(7) PROOF OF FINANCIAL RESPONSIBILITY.—That proof of ability to respond in damages for liability on account of crashes arising out of the use of a motor vehicle:

(a) In the amount of $10,000 because of bodily injury to, or death of, one person in any one crash;

(b) Subject to such limits for one person, in the amount of $20,000 because of bodily injury to, or death of, two or more

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

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persons in any one crash;

(c) In the amount of $10,000 because of injury to, or destruction of, property of others in any one crash; ~~and~~

(d) With respect to commercial motor vehicles and nonpublic sector buses, in the amounts specified in ss. 627.7415 and 627.742, respectively; and

(e) With respect to rented or leased motor vehicles, in the amounts specified in paragraph (9)(b).

(9) OWNER; OWNER/LESSOR.—

(a) *Owner.*—A person who holds the legal title of a motor vehicle; or, in the event a motor vehicle is the subject of an agreement for the conditional sale or lease thereof with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee, or in the event a mortgagor of a vehicle is entitled to possession, then such conditional vendee or lessee or mortgagor is ~~shall be~~ deemed the owner for the purpose of this chapter.

(b) *Owner/lessor.*—Notwithstanding any other provision of the Florida Statutes or existing case law:

1. The lessor, under an agreement to lease a motor vehicle for 1 year or longer which requires the lessee to obtain insurance acceptable to the lessor which contains limits not less than $100,000 per person and $300,000 per incident for ~~$100,000/$300,000~~ bodily injury ~~liability~~ and $50,000 for property damage ~~liability~~ or not less than $500,000 for combined property damage ~~liability~~ and bodily injury ~~liability~~, shall not be deemed the owner of said motor vehicle for the purpose of determining financial responsibility for the operation of said

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

motor vehicle or for the acts of the operator in connection therewith; further, this subparagraph applies ~~shall be applicable~~ so long as the insurance meeting these requirements is in effect. The insurance meeting such requirements may be obtained by the lessor or lessee, provided, if such insurance is obtained by the lessor, the combined coverage for bodily injury liability and property damage liability shall contain limits of not less than $1 million and may be provided by a lessor's blanket policy.

2. The lessor, under an agreement to rent or lease a motor vehicle for a period of less than 1 year to a nonresident as defined in s. 324.021(5), shall require that the nonresident lessee be covered by insurance to respond in damages for liability arising out of the use of the motor vehicle due to the negligence of the nonresident lessee, or any permissive user of the motor vehicle, with limits of not less than $100,000 per person and $300,000 per incident for bodily injury and $50,000 for property damage. The lessor may provide coverage in such amounts to the nonresident lessee and may charge the nonresident lessee for such coverage if the amount of such charge is separately set forth in the rental agreement. Notwithstanding s. 627.7275(2)(b), coverage complying with this subparagraph may provide coverage for a motor vehicle that is rented or leased by the nonresident lessee for only up to 1 year. The lessor has a continuing duty to ensure that the nonresident lessee is covered by insurance consistent with this subparagraph ~~be deemed the owner of the motor vehicle for the purpose of determining liability for the operation of the vehicle or the acts of the operator in connection therewith only up to $100,000 per person~~

~~and up to $300,000 per incident for bodily injury and up to $50,000 for property damage~~. If liability arises out of the use of the motor vehicle and the nonresident lessee or the operator of the motor vehicle is uninsured or has any insurance with limits of less than $100,000 per person and $300,000 per incident for ~~$500,000 combined property damage and~~ bodily injury and $50,000 for property damage ~~liability~~, the lessor is ~~shall be~~ liable for up to $100,000 per person and $300,000 per incident for bodily injury, up to $50,000 for property damage, and up to an additional $500,000 in economic damages only arising out of the use of the motor vehicle. The additional specified liability of the lessor for economic damages shall be reduced by amounts actually recovered from the lessee, from the operator, and from any insurance or self-insurance covering the lessee or operator. If the nonresident lessee does not obtain coverage consistent with this subparagraph, the lessor is liable for up to $100,000 per person and $300,000 per incident for bodily injury, up to $50,000 for property damage, and up to an additional $500,000 in economic damages only arising out of the use of the motor vehicle by the nonresident lessee or the acts of the operator in connection with the use of the motor vehicle. ~~Nothing in~~ This subparagraph does not ~~shall be construed to~~ affect the liability of the lessor for its own negligence.

3. The owner who is a natural person and loans a motor vehicle to any permissive user is ~~shall be~~ liable for the operation of the vehicle or the acts of the operator in connection therewith only up to $100,000 per person and up to $300,000 per incident for bodily injury and up to $50,000 for property damage. If the permissive user of the motor vehicle is

uninsured or has any insurance with limits less than $500,000 combined property damage and bodily injury liability, the owner is ~~shall be~~ liable for up to an additional $500,000 in economic damages only arising out of the use of the motor vehicle. The additional specified liability of the owner for economic damages shall be reduced by amounts actually recovered from the permissive user and from any insurance or self-insurance covering the permissive user. ~~Nothing in~~ This subparagraph does not ~~shall be construed to~~ affect the liability of the owner for his or her own negligence.

(c) *Application.*—

1. The financial responsibility requirements and limits on liability in subparagraphs (b)2. and 3. do not apply to an owner of motor vehicles that are used for commercial activity in the owner's ordinary course of business, other than a rental company that rents or leases motor vehicles. For purposes of this paragraph, the term "rental company" includes only an entity that is engaged in the business of renting or leasing motor vehicles to the general public and that rents or leases a majority of its motor vehicles to persons with no direct or indirect affiliation with the rental company. The term also includes a motor vehicle dealer that provides temporary replacement vehicles to its customers for up to 10 days. The term "rental company" also includes:

a. A related rental or leasing company that is a subsidiary of the same parent company as that of the renting or leasing company that rented or leased the vehicle.

b. The holder of a motor vehicle title or an equity interest in a motor vehicle title if the title or equity

interest is held pursuant to or to facilitate an asset-backed securitization of a fleet of motor vehicles used solely in the business of renting or leasing motor vehicles to the general public and under the dominion and control of a rental company, as described in this subparagraph, in the operation of such rental company's business.

2. ~~Furthermore,~~ With respect to commercial motor vehicles as defined in s. 627.732, the financial responsibility requirements and limits on liability in subparagraphs (b)2. and 3. do not apply if, at the time of the incident, the commercial motor vehicle is being used in the transportation of materials found to be hazardous for the purposes of the Hazardous Materials Transportation Authorization Act of 1994, as amended, 49 U.S.C. ss. 5101 et seq., and that is required pursuant to such act to carry placards warning others of the hazardous cargo, unless at the time of lease or rental either:

a. The lessee indicates in writing that the vehicle will not be used to transport materials found to be hazardous for the purposes of the Hazardous Materials Transportation Authorization Act of 1994, as amended, 49 U.S.C. ss. 5101 et seq.; or

b. The lessee or other operator of the commercial motor vehicle has in effect insurance with limits of at least $5,000,000 combined property damage and bodily injury liability.

Section 2. The amendments made by this act to s. 324.021, Florida Statutes, are intended to clarify that Florida law imposes financial responsibility, as that term is used in 49 U.S.C. s. 30106(b), for lessors and nonresident lessees of a motor vehicle.

Section 3. This act shall take effect July 1, 2015.

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 418
INTRODUCER:	Regulated Industries Committee and Senator Richter
SUBJECT:	Construction Defect Claims
DATE:	April 7, 2015
REVISED:	

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Kraemer	Imhof	RI	**Fav/CS**
2.	Billmeier	Knudson	BI	**Favorable**
3.			FP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 418 amends ch. 558, F.S., relating to construction defect claims. The bill contains a legislative finding that the opportunity to resolve claims without legal process should be extended to insurers of a contractor, subcontractor, supplier, or design professional and contains a finding that the settlement negotiations should be confidential. The bill revises the definition of "completion of a building or improvement" to include a temporary certificate of occupancy.

The bill amends requirements for filing a notice of claim. The notice must describe the claim in reasonable detail and must identify the location of the defect sufficiently to enable the responding party to locate the defect without undue burden. It does not require destructive testing.

The bill provides requirements for the exchange of documents by the parties and provides that a party may assert any claim of privilege recognized under Florida law respecting any of the disclosure obligations mandated by ch. 558, F.S.

II. Present Situation:

In 2003, the Legislature enacted an alternative dispute resolution process for certain construction defect matters,[1] where a claimant files a notice of claim with a contractor, subcontractor, supplier, or design professional that the claimant asserts is responsible for the defect, and

[1] *See* ch. 2003-49; L.O.F.

provides the contractor, subcontractor, supplier, or design professional with an opportunity to resolve the claim without the need for court action. Actions for personal injuries arising out of an alleged construction defect are not covered by this process, which is set forth in ch. 558, F.S. (the construction defect procedure).[2]

Definitions

The term "action" means a lawsuit or arbitration proceeding for damages to or loss of real or personal property caused by an alleged construction defect.[3] Unless otherwise agreed in writing,[4] a claimant may not file an action until complying with the construction defect procedure by providing written notice of alleged construction defects to the contractor or other party that contracted[5] with the claimant to perform work.[6] However, the notice requirement is not intended to interfere with the ability to complete a project that has not been substantially completed, and a notice is not required for a project in which the building or improvement is not yet completed.

Completion of a building or improvement is evidenced by issuance of a certificate of occupancy (or its equivalent) for the entire building or improvement issued by the appropriate governmental body (such as a city or county).[7]

A construction defect, as defined in s. 558.002(5), F.S., is a deficiency in, or arising out of, the "design, specifications, surveying, planning, supervision, observation of construction, or construction, repair, alteration, or remodeling of real property[8] resulting from:"

- Defective material, products, or components used in the construction or remodeling;
- A violation of applicable building codes which allows an action under limited conditions;[9]
- A failure of the design of real property to meet applicable professional standards of care at the time of governmental approval; or

[2] Pursuant to s. 558.004(12), F.S., except as specifically provided in ch. 558, F.S., the chapter does not: (1) bar or limit any rights, including the right of specific performance to the extent available in the absence of the chapter, any causes of action, or any theories on which liability may be based; (2) bar or limit any defense, or create any new defense; or (3) create any new rights, causes of action, or theories on which liability may be based.
[3] *See* s. 558.002(1), F.S.
[4] Section 558.005(4), F.S., permits a claimant and the contractor or other person to whom notice is served or otherwise must be served with a notice of claim to agree in writing to mediation in advance of a lawsuit being filed, or to otherwise alter the construction defect procedure in ch. 558, F.S.
[5] After October 1, 2009, unless the parties agree that ch. 558, F.S., does not apply, s. 558.005, F.S., requires that any written contract for improvement of real property entered into between an owner and a contractor, or between an owner and a design professional, contain substantially the following notice: "ANY CLAIMS FOR CONSTRUCTION DEFECTS ARE SUBJECT TO THE NOTICE AND CURE PROVISIONS OF CHAPTER 558, FLORIDA STATUTES." The failure to include the required notice in the contract does not subject the contracting owner, contractor, or design professional to any penalty, however, as the purpose of the notice is to promote awareness of the procedure, not to be a penalty. Other notice requirements set forth in s. 558.005, F.S., apply to contracts entered into before October 1, 2009. However, s. 558.004(14), F.S., provides that if an arbitration clause in a contract for the sale, design, construction, or remodeling of real property conflicts with the construction defect procedure in s. 558.004, F.S., that section prevails over the arbitration clause.
[6] *See* s. 558.003, F.S.
[7] *See* s. 558.002(4), F.S. In cases where a certificate of occupancy or the equivalent authorization is not issued, completion means the substantial completion of construction, finishing, and equipping of the building or improvement according to the plans and specifications.
[8] Section 558.002(8), F.S., defines real property as improved land, and improvements on such land, such as fixtures, manufactured housing, or mobile homes; public transportation projects are excluded.
[9] *See* s. 553.84; F.S.

- A failure to construct or remodel real property in accordance with accepted trade standards for good and workmanlike construction at the time of construction.

A claimant is a property owner, including a subsequent purchaser or association,[10] who asserts a claim for damages against a contractor, subcontractor, supplier, or design professional concerning a construction defect, or a subsequent owner who asserts a claim for indemnification for such damages. Under the construction defect procedure, a contractor, subcontractor, supplier, or design professional is not designated as a claimant.[11]

A contractor is any person[12] that is legally engaged in the business of designing, developing, constructing, manufacturing, repairing, or remodeling real property.[13] A subcontractor is a person who is a contractor who performs labor and supplies material on behalf of another contractor for construction or remodeling of real property,[14] and a supplier is a person who does not perform labor, but does provide materials, equipment, or other supplies for the construction or remodeling of real property.[15]

Notice of Claim Process

The notice of claim process is set forth in s. 558.004, F.S. Before an action may be brought by a claimant alleging a construction defect, the claimant must serve[16] a written notice of claim referring to ch. 558, F.S., on the contractor, subcontractor, supplier, or design professional, as applicable. The written notice must be provided at least 60 days before filing the action, or in the case of an association representing more than 20 parcels (association claimant), at least 120 days before the filing. Association claimants are granted longer time frames than other claimants.

If the construction defect claim arises from work performed under a contract, the written notice of claim must be served on the person with whom the claimant contracted, and must describe the claim in detail sufficient to determine the nature of the construction defect and a description of the damage or loss resulting from it, if known. The claimant must try to serve the notice of claim within 15 days after discovery of an alleged defect, but the failure to do so does not bar the filing of an action.[17] In limited circumstances after the construction defect procedure has been complied with by the claimant and persons served with the notice of claim, certain actions may be filed sooner than these time frames.[18]

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[10] An "association" is defined in s. 558.002(2), F.S., as having the same meaning as in s. 718.103(2), F.S., (condominiums), s. 719.103(2), F.S., (cooperatives), s. 720.301(9), F.S., (homeowners) or s. 723.075, F.S., (mobile home subdivisions).
[11] *See* s. 558.002(3), F.S.
[12] As defined in s. 1.01, F.S., a "person" includes "individuals, children, firms, associations, joint adventures, partnerships, estates, trusts, business trusts, syndicates, fiduciaries, corporations, and all other groups or combinations."
[13] *See* s. 558.002(6), F.S.
[14] *See* s. 558.002(10), F.S.
[15] *See* s. 558.002(11), F.S.
[16] Service of a notice of a construction defect means delivery by certified mail with a United States Postal Service record of evidence of delivery or attempted delivery to the last known address of the addressee, by hand delivery, or by delivery by any courier with written evidence of delivery. *See* s. 558.002(9), F.S.
[17] Section 558.003, F.S., provides that a prematurely filed action may be stayed by the court to allow the parties to engage in the construction defect procedure.
[18] The construction defect procedure includes actions that a claimant or a contractor may take after the notice of claim is responded to, in the event a claim is disputed and no compromise or settlement is offered, if the claimant fails to accept or reject a timely offer, or if agreed-to payments or repairs are not made. *See* s. 558.004(6), (7), and (8), F.S.

Under s. 558.004(2), F.S., within 30 days after service of the notice of claim (within 50 days for a claim involving an association claimant), the person served with the notice of claim (claim recipient) may inspect the property or each unit subject to the claim to assess each alleged construction defect. The claimant shall provide the claim recipient, its contractors, or its agents reasonable access to the property during normal working hours to inspect the property to determine the nature and cause of each alleged construction defect and the nature and extent of any repairs or replacements necessary to remedy each defect.

Claim recipients must reasonably coordinate the timing and manner of any and all inspections with the claimant to minimize the number of inspections. If mutually agreed, the inspection may include destructive testing under these terms and conditions:[19]

- If the claim recipient determines that destructive testing is necessary to determine the nature and cause of the alleged defects, the claimant must be notified in writing;
- The notice shall describe the destructive testing to be performed, the person performing the testing, the estimated anticipated damage and repairs to or restoration of the property resulting from the testing, the estimated amount of time needed for the testing and to complete the repairs or restoration, and the financial responsibility offered for covering the costs of repairs or restoration;
- If the claimant promptly objects to the person who is to perform the destructive testing, the claim recipient must provide a list of three qualified persons from which the claimant may select a person to perform the testing. The person performing the testing shall operate as an agent or subcontractor of the claim recipient who must communicate with, submit any reports to, and be solely responsible to the claim recipient;
- The testing shall be done at a mutually agreeable time;
- The claimant or a representative of the claimant may be present to observe the destructive testing;
- The destructive testing may not make the property uninhabitable; and
- There are no statutory construction lien rights for the destructive testing caused by a claim recipient, or for restoring the area destructively tested to the condition existing prior to testing, except to the extent the owner of the property contracts for destructive testing or restoration.

If the claimant refuses to agree and thereafter permit reasonable destructive testing, the claimant has no claim for damages that could have been avoided or mitigated if requested destructive testing had been allowed and a feasible remedy been promptly implemented.

Under s. 558.004(3), F.S., within 10 days after service of the notice of claim (within 30 days for a claim involving an association claimant), the claim recipient has the option to serve a copy of the notice of claim to each contractor, subcontractor, supplier, or design professional whom the claim recipient reasonably believes is responsible for each defect specified in the notice of claim (the subsequent claim recipient). The claim recipient must identify the specific defect for which it believes the particular subsequent claim recipient is responsible. This notice to the subsequent claim recipient may not be construed as an admission of any kind, and each subsequent claim recipient may inspect the property in the same manner as the claim recipient, as described above.

[19] *See* s. 558.004(2), F.S.

Under s. 558.004(4), F.S., within 15 days after service of a copy of the notice of claim to a subsequent claim recipients (within 30 days for claims involving an association claimant), the subsequent claim recipient must serve a written response to the claim recipient, to include:

- A report, if any, of the scope of any inspection of the property;
- The findings and results of the inspection;
- A statement of whether the subsequent claim recipient is willing to make repairs to the property or whether such claim is disputed;
- A description of any repairs the subsequent claim recipient is willing to make to remedy the alleged construction defect; and
- A timetable for the completion of such repairs.

This response may also be served on the claimant by the claim recipient.

Under s. 558.004(5), F.S., within 45 days after service of the notice of claim (within 75 days for a claim involving an association claimant), the claim recipient must serve a written response to the claimant. The response shall be served to the attention of the person who signed the notice of claim, unless otherwise indicated in the notice of claim. The written response must provide:

- A written offer to remedy the alleged construction defect at no cost to the claimant, a detailed description of the proposed repairs necessary to remedy the defect, and a timetable for the completion of such repairs;
- A written offer to compromise and settle the claim by monetary payment, that will not obligate the person's insurer, and a timetable for making payment;
- A written offer to compromise and settle the claim by a combination of repairs and monetary payment, that will not obligate the person's insurer, that includes a detailed description of the proposed repairs and a timetable for the completion of such repairs and making payment; (the (5)(c) option);
- A written statement that the person disputes the claim and will not remedy the defect or compromise and settle the claim; or
- A written statement that a monetary payment, including insurance proceeds, if any, will be determined by the person's insurer within 30 days after notification to the insurer by means of serving the claim, which service shall occur at the same time the claimant is notified of this settlement option, which the claimant may accept or reject. A written statement under this option may also include an offer under the (5)(c) option above, but such offer shall be contingent upon the claimant also accepting the determination of the insurer whether to make any monetary payment in addition thereto. If the insurer for the claim recipient makes no response within the 30 days following service, then the claimant shall be deemed to have met all conditions necessary to filing an action on the noticed claim.

Under s. 558.004(6), F.S., if the claim recipient disputes the claim and will neither remedy the defect nor compromise and settle the claim, or does not timely respond to the claimant's notice of claim, the claimant may, without further notice, proceed with an action against that the claim recipient for the noticed claim. A partial settlement or compromise of the claim may be agreed to by the parties, and in that event, the claimant may without further notice proceed with an action on the unresolved portions of the claim.

Under s. 558.004(7), F.S., a claimant who receives a timely settlement offer must accept or reject the offer by serving written notice of acceptance or rejection on the person making the offer within 45 days after receiving the settlement offer. If a claimant initiates an action without first accepting or rejecting the offer, the court shall stay the action upon timely motion until the claimant serves the required written response respecting the offer.

Under s. 558.004(8), F.S., if the claimant timely and properly accepts an offer to repair an alleged construction defect, the claimant shall provide the offeror and the offeror's agents reasonable access to the claimant's property during normal working hours to perform the repair by the agreed-upon timetable stated in the offer. If the offeror does not make the payment or repair the defect within the agreed time and in the agreed manner, except for reasonable delays beyond the control of the offeror, including, but not limited to, weather conditions, delivery of materials, claimant's actions, or issuance of any required permits, the claimant may, without further notice, proceed with an action against the offeror based upon the claim in the notice of claim. If the offeror makes payment or repairs the defect within the agreed time and in the agreed manner, the claimant is barred from proceeding with an action for the noticed claim or as otherwise provided in the accepted settlement offer.

Emergency Repairs, Statute of Limitations, and Multiple Claims

The construction defect procedure does not prohibit or limit the claimant from making any necessary emergency repairs to the property to protect the health, safety, and welfare of the claimant.[20] In addition, any offer or failure to offer a remedy as contemplated by the construction defect procedure[21] or to compromise and settle the claim by monetary payment is not an admission of liability and is not admissible in an action brought under ch. 558, F.S.[22]

Service of a written notice of claim tolls the applicable statute of limitations for those persons covered by the construction defect procedure in ch. 558, F.S., (and any bond surety) until the later of:

- Ninety days, or 120 days,[23] after service of the notice of claim; or
- Thirty days after the end of the repair period or payment period stated in the offer, if the claimant has accepted the offer; this time period may be extended by stipulation of the parties, which tolls the statute of limitations during the extension.

The construction defect procedure applies to each alleged construction defect, but multiple defects may be included in one notice of claim; in addition, the initial list may be amended by the claimant to identify additional or new construction defects as they become known.[24] Only alleged construction defects that are noticed and for which the claimant has complied with the construction defect procedure (or those reasonably related to, or caused by, the noticed defects) may be addressed in a trial, but subsequent or further actions may be pursued.[25]

[20] *See* s. 558.004(9), F.S.
[21] *See* s. 558.004(5)(a)-(e), F.S.
[22] *See supra* note 17.
[23] The longer time period appears to be applicable to associations representing more than 20 parcels. *See* s. 558.004(1), F.S.
[24] *See* s. 558.004(11), F.S.
[25] *Id.*

Insurance Claims

Section 558.004(13), F.S., provides that the construction defect procedure does not relieve persons served with a notice of claim from compliance with the terms of any liability insurance policy. Further, the providing of a copy of a notice of claim to an insurer does not constitute a claim for insurance purposes, and nothing in the construction defect procedure may be construed to impair technical notice provisions or requirements of the liability policy or alter, amend, or change existing Florida law relating to rights between insureds and insurers.

Exchange of Documents and Other Information

Within 30 days after service of a written request that cites s. 558.004(15), F.S., and contains an offer to pay the reasonable costs of reproduction, the claimant and any claimant recipient must exchange:

- Any design plans, specifications, and as-built plans;
- Any documents detailing the design drawings or specifications;
- Photographs, videos, and expert reports that describe any defect upon which the claim is made; subcontracts; and
- Purchase orders for the work that is claimed defective or any part of such materials.

In the event of subsequent litigation, any party who failed to provide the requested materials may be sanctioned for a discovery violation by the court. Expert reports exchanged between the parties may not be used in any subsequent litigation for any purpose, unless the expert, or a person affiliated with the expert, testifies as a witness, or the report is used or relied upon by an expert who testifies on behalf of the party for whom the report was prepared.

III. Effect of Proposed Changes:

CS/SB 418 amends the legislative findings in s. 558.001, F.S., to add the insurer of the contractor, subcontractor, supplier, or design professional as a party that should be provided the opportunity to resolve a construction defect claim through the construction defect procedure. The bill also contains a finding that the procedure is a confidential settlement negotiation.

The bill amends the definition of "completion of a building or improvement," in s. 558.002, F.S., to mean the issuance of a certificate of occupancy whether temporary or otherwise. Currently, completion of a building or improvement evidenced by issuance of a certificate of occupancy (or its equivalent) for the entire building or improvement issued by the appropriate governmental body (such as a city or county).[26]

A temporary certificate of occupancy may be issued prior to completion of an entire building or improvement for a portion of the property being constructed or improved, pending the completion of those portions that remain under construction. This identical definition for "completion of a building or improvement" appears in ch. 718, F.S., the Condominium Act, and

[26] *See* s. 558.002(4), F.S. In cases where a certificate of occupancy or the equivalent authorization is not issued, completion means the substantial completion of construction, finishing, and equipping of the building or improvement according to the plans and specifications.

in ch. 719, the Cooperative Act.[27] The warranties commence with the completion of a building or improvement. Express warranties are granted to purchasers by developers, and other warranties are granted by contractors, subcontractors, and suppliers to both developers and purchasers. The bill amends the definition of "completion of a building or improvement" in s. 718.203(3), F.S., of the Condominium Act and s. 719.203(3), F.S., of the Cooperative Act to make those definitions consistent with the amended definition in s. 558.002(4), F.S. The warranties would begin once a temporary certificate of occupancy is issued.

The bill requires that the notice of claim required in s. 558.004, F.S., describe in reasonable detail the nature of each alleged construction defect and the damage or loss resulting from the defect if known. The claimant or its agents must identify the location of the alleged defect based upon at least visual inspection. The information in the notice of claim must allow the responding party to locate the alleged defect without "undue burden." The claimant has no obligation to perform destructive or other testing to identify the location of the alleged defect.

Current law provides that sending a copy of a claim to an insurer does not constitute the making of a claim for insurance purposes. The bill provides that an insurance policy may allow for such action to constitute a valid claim for coverage under the policy.

The bill eliminates the requirement for a claimant or any claim recipient (or any subsequent claim recipient) to exchange documents detailing the design drawings or specifications upon request. The bill requires those parties to provide, upon request, maintenance records and other documents related to the discovery, investigation, causation, and extent of alleged construction defects identified in a notice of claim, as well as any resulting damages. A party may assert any claim of privilege recognized under Florida law respecting any of the disclosure obligations mandated by ch. 558, F.S.

The effective date of the bill is October 1, 2015.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

[27] *See* s. 718.203, F.S., and s. 719.203, F.S. These provisions provide for a warranty of 3 years beginning with the completion of the building.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Revision to the term "completion of a building or improvement" may affect persons and associations eligible to file or receive notices of claim (and insurers of those persons) by changing the calculation of the time period for which warranties under s. 718.203, F.S., and s. 719.203, F.S., are effective.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 558.001, 558.002, 558.004, 718.203, and 719.203.

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 Regulated Industries on March 31, 2015:
The committee substitute provides that a claim for an alleged construction defect must be based, at a minimum, upon a visual inspection by the claimant or its agents, and must identify the location of the defect. There is no duty to conduct destructive or other testing. The committee substitute removes the requirement that the notice must identify the specific location of the defect and identify the specific provisions of the building code, project plans, project drawings, specifications or other information that serve as the basis of the claim. It also removes the provision that failure to include this information in the notice is prima facie evidence of a defective notice of claim. It also removes the provisions concerning frivolous claims, monetary sanctions, and attorney fees.

B. Amendments:

None.

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

By the Committee on Regulated Industries; and Senator Richter

580-03238-15 2015418c1

A bill to be entitled

An act relating to construction defect claims; amending s. 558.001, F.S.; revising legislative intent; amending s. 558.002, F.S.; revising the definition of the term "completion of a building or improvement"; amending s. 558.004, F.S.; providing additional requirements for a notice of claim; revising requirements for a response; revising provisions relating to production of certain records; amending ss. 718.203 and 719.203, F.S.; conforming provisions to changes made by the act; providing an effective date.

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

Section 1. Section 558.001, Florida Statutes, is amended to read:

558.001 Legislative findings and declaration.—The Legislature finds that it is beneficial to have an alternative method to resolve construction disputes that would reduce the need for litigation as well as protect the rights of property owners. An effective alternative dispute resolution mechanism in certain construction defect matters should involve the claimant filing a notice of claim with the contractor, subcontractor, supplier, or design professional that the claimant asserts is responsible for the defect, and should provide the contractor, subcontractor, supplier, or design professional, and the insurer of the contractor, subcontractor, supplier, or design professional, with an opportunity to resolve the claim through

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580-03238-15 2015418c1

confidential settlement negotiations without resort to further legal process.

Section 2. Subsection (4) of section 558.002, Florida Statutes, is amended to read:

558.002 Definitions.—As used in this chapter, the term:

(4) "Completion of a building or improvement" means issuance of a certificate of occupancy, whether temporary or otherwise, that allows for occupancy or use of ~~for~~ the entire building or improvement, or an ~~the~~ equivalent authorization ~~to occupy or use the improvement,~~ issued by the governmental body having jurisdiction. ~~and,~~ In jurisdictions where no certificate of occupancy or ~~the~~ equivalent authorization is issued, the term means substantial completion of construction, finishing, and equipping of the building or improvement according to the plans and specifications.

Section 3. Subsections (1), (4), (13), and (15) of section 558.004, Florida Statutes, are amended to read:

558.004 Notice and opportunity to repair.—

(1)(a) In actions brought alleging a construction defect, the claimant shall, at least 60 days before filing any action, or at least 120 days before filing an action involving an association representing more than 20 parcels, serve written notice of claim on the contractor, subcontractor, supplier, or design professional, as applicable, which notice shall refer to this chapter. If the construction defect claim arises from work performed under a contract, the written notice of claim must be served on the person with whom the claimant contracted.

(b) The notice of claim must describe ~~the claim~~ in reasonable detail ~~sufficient to determine~~ the ~~general~~ nature of

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each alleged construction defect and, if known, ~~a description of~~ the damage or loss resulting from the defect~~, if known~~. Based upon at least a visual inspection by the claimant or its agents, the notice of claim must identify the location of each alleged construction defect sufficiently to enable the responding parties to locate the alleged defect without undue burden. The claimant has no obligation to perform destructive or other testing for purposes of this notice.

(c) The claimant shall endeavor to serve the notice of claim within 15 days after discovery of an alleged defect, but the failure to serve notice of claim within 15 days does not bar the filing of an action, subject to s. 558.003. This subsection does not preclude a claimant from filing an action sooner than 60 days, or 120 days as applicable, after service of written notice as expressly provided in subsection (6), subsection (7), or subsection (8).

(4) Within 15 days after service of a copy of the notice of claim pursuant to subsection (3), or within 30 days after service of the copy of the notice of claim involving an association representing more than 20 parcels, the contractor, subcontractor, supplier, or design professional must serve a written response to the person who served a copy of the notice of claim. The written response must ~~shall~~ include a report, if any, of the scope of any inspection of the property and~~,~~ the findings and results of the inspection. The written response must include one or more of the offers or statements specified in paragraphs (5)(a)-(e), as chosen by the responding contractor, subcontractor, supplier, or design professional, with all of the information required for that offer or

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statement~~,~~ ~~a statement of whether the contractor, subcontractor, supplier, or design professional is willing to make repairs to the property or whether such claim is disputed, a description of any repairs they are willing to make to remedy the alleged construction defect, and a timetable for the completion of such repairs. This response may also be served on the initial claimant by the contractor~~.

(13) This section does not relieve the person who is served a notice of claim under subsection (1) from complying with all contractual provisions of any liability insurance policy as a condition precedent to coverage for any claim under this section. However, notwithstanding the foregoing or any contractual provision, the providing of a copy of such notice to the person's insurer, if applicable, shall not constitute a claim for insurance purposes unless the terms of the policy specify otherwise. Nothing in this section shall be construed to impair technical notice provisions or requirements of the liability policy or alter, amend, or change existing Florida law relating to rights between insureds and insurers except as otherwise specifically provided herein.

(15) Upon request, the claimant and any person served with notice pursuant to subsection (1) shall exchange, within 30 days after service of a written request, which request must cite this subsection and include an offer to pay the reasonable costs of reproduction, any design plans, specifications, and as-built plans; ~~any documents detailing the design drawings or specifications;~~ photographs and~~,~~ videos of the alleged construction defect identified in the notice of claim;~~, and~~ expert reports that describe any defect upon which the claim is

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made; subcontracts; ~~and~~ purchase orders for the work that is claimed defective or any part of such materials; and maintenance records and other documents related to the discovery, investigation, causation, and extent of the alleged defect identified in the notice of claim and any resulting damages. A party may assert any claim of privilege recognized under the laws of this state with respect to any of the disclosure obligations specified in this chapter. In the event of subsequent litigation, any party who failed to provide the requested materials shall be subject to such sanctions as the court may impose for a discovery violation. Expert reports exchanged between the parties may not be used in any subsequent litigation for any purpose, unless the expert, or a person affiliated with the expert, testifies as a witness or the report is used or relied upon by an expert who testifies on behalf of the party for whom the report was prepared.

Section 4. Subsection (3) of section 718.203, Florida Statutes, is amended to read:

718.203 Warranties.—

(3) "Completion of a building or improvement" means issuance of a certificate of occupancy, whether temporary or otherwise, that allows for occupancy or use of ~~for~~ the entire building or improvement, or an ~~the~~ equivalent authorization issued by the governmental body having jurisdiction.~~, and~~ In jurisdictions where no certificate of occupancy or equivalent authorization is issued, the term ~~it~~ means substantial completion of construction, finishing, and equipping of the building or improvement according to the plans and specifications.

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Section 5. Subsection (3) of section 719.203, Florida Statutes, is amended to read:

719.203 Warranties.—

(3) "Completion of a building or improvement" means issuance of a certificate of occupancy, whether temporary or otherwise, that allows for occupancy or use of ~~for~~ the entire building or improvement, or an ~~the~~ equivalent authorization issued by the governmental body having jurisdiction.~~, and~~ In jurisdictions where no certificate of occupancy or equivalent authorization is issued, the term ~~it~~ means substantial completion of construction, finishing, and equipping of the building or improvement according to the plans and specifications.

Section 6. This act shall take effect October 1, 2015.

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5

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

April 7, 2015
Meeting Date

CS/SB 418
Bill Number (if applicable)

Amendment Barcode (if applicable)

Topic Construction Defects

Name Fred R. Dudley

Job Title Attorney

Address 3522 Thomasville Road, Suite 301
Street

Phone 850-294-3471

Tallahassee — Florida — 32309
City — *State* — *Zip*

Email dudley@mylicenselaw.com

Speaking: ☐ For ☐ Against ☑ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Association of Construction Consumers

Appearing at request of Chair: ☐ Yes ☑ No

Lobbyist registered with Legislature: ☑ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

W

4/7/15
Meeting Date

418
Bill Number (if applicable)

Topic Construction Defect Claims

Amendment Barcode (if applicable)

Name Carol Bowen

Job Title Deputy Chief Lobbyist

Address 3730 Coconut Creek Parkway, Suite 200 Phone
Street

Coconut Creek FL 33066 Email
City *State* *Zip*

Speaking: ~~For~~ ~~Against~~ ~~Information~~ Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Associated Builders and Contractors

Appearing at request of Chair: ☐ Yes ☒ No Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

W

04/07/2015
Meeting Date

418
Bill Number (if applicable)

Topic Construction Defect Claims

Amendment Barcode (if applicable)

Name Warren Husband

Job Title N/A

Address P.O. Box 10909
Street

Phone 850-205-9000

Tallahassee FL 32302
City *State* *Zip*

Email

Speaking: ☑ For ☐ Against ☐ Information

Waive Speaking: ☑ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Fla. Associated General Contractors Council

Appearing at request of Chair: ☐ Yes ☑ No

Lobbyist registered with Legislature: ☑ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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

S-001 (10/14/14)

CourtSmart Tag Report

Room: EL 110 **Case:** **Type:**
Caption: Senate Banking and Insurance Committee **Judge:**

Started: 4/7/2015 1:35:49 PM
Ends: 4/7/2015 1:44:42 PM Length: 00:08:54

1:35:54 PM	Meeting called to order
1:36:00 PM	roll call -- quorum present
1:36:34 PM	TAB 4 - CS/SB 418 - Richter - Construction Defect Claims
1:36:55 PM	Senator Richter recognized to explain the bill
1:37:54 PM	Roll call on CS/SB 418 -- Favorable
1:38:37 PM	TAB 1 - SB 524 by Soto - Rental Agreements
1:39:02 PM	Delete all amendment (707930)
1:39:24 PM	Senator Soto recognized to explain delete all amendment
1:41:13 PM	Kenneth Pratt, Florida Bankers Assoc.
1:41:30 PM	Alice Vickers, FL Alliance of Consumer Protection
1:42:11 PM	Delete all amd. (707930) adopted
1:42:30 PM	Roll call on CS/SB 524 -- Favorable
1:42:57 PM	TAB 2 -CS/SB 632
1:43:30 PM	Sen. Garcia's Aide (Jesus Tundidor) recognized to explain the bill
1:43:37 PM	Roll call on CS/SB 632 -- Favorable
1:44:34 PM	Meeting adjourned