

**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.)

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Prepared By: The Professional Staff of the Committee on Commerce and Tourism

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BILL: SB 1928

INTRODUCER: Senator Hooper

SUBJECT: Household Moving Services

DATE: January 28, 2022

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Harmsen	McKay	CM	<b>Favorable</b>
2.			CJ	
3.			RC	

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**I. Summary:**

SB 1928 broadens protections for consumers who use intrastate moving services by:

- Providing for a required insurance protection plan for shippers' moved goods;
- Requiring a binding estimate of the cost of services to be provided by the mover; and
- Clarifying what payment a mover can demand prior to returning the moved goods to the shipper.

The bill provides an effective date of July 1, 2022.

**II. Present Situation:**

**Moving Scams**

The Better Business Bureau has seen a marked increase in complaints and negative reviews about movers in recent years, as shown in the table below.<sup>1</sup>

Year	Complaints	Reviews	Total
2017	8,274	2,523	10,797
2018	11,600	3,296	14,896
2019	10,132	3,193	13,424

One frequent moving scam involves an initial low-ball estimate (usually provided without an in-person visit to review the belongings that need to be moved) that turns into a demand for a much

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<sup>1</sup> Better Business Bureau, *Know Your Mover: BBB Study Reveals Scammers Price Gouge, Take Belongings Hostage, and Destroy Goods* (Jun. 30, 2020), <https://www.bbb.org/article/news-releases/22659-know-your-mover-bbb-study-reveals-scammers-price-gouge-take-belongings-hostage-and-destroy-goods> (last visited Jan. 28, 2022).

higher price once all of the household belongings are on the moving truck and awaiting delivery. The truck driver can simply drive away if the consumer refuses to pay the higher price.<sup>2,3</sup>

Another scam requires the shipper to sign a blank or incomplete estimate or contract, which results in a higher than expected price demanded at the time of delivery.<sup>4</sup>

### **Florida (Intrastate) Mover Regulations**

Chapter 507, F.S., governs the loading, transportation, shipment, unloading, and affiliated storage of household goods as part of intrastate household moves. The chapter applies to any mover or moving broker engaged in intrastate transportation or shipment of household goods that originates and terminates in Florida.<sup>5</sup> These regulations co-exist with federal law, which governs interstate moving of household goods.<sup>6</sup>

A “mover” is a person who, for compensation, contracts for or engages in the loading, transportation, shipment, or unloading of household goods as part of a household move.<sup>7</sup> A “moving broker” arranges for another person to load, transport, ship, or unload household goods as part of a household move or who refers a shipper to a mover by telephone, postal, or electronic mail, website, or other means.<sup>8</sup>

Movers and moving brokers who do business in Florida must register annually with the Department of Agriculture and Consumer Services (Department).<sup>9</sup> As of January 28, 2022, there were 1,398 movers and 35 moving brokers with active Florida registrations.<sup>10</sup> In order to obtain a registration certificate, the mover or moving broker must file an application, pay a \$300 annual registration fee, and meet certain statutory qualifications, including proof of insurance coverage.<sup>11</sup>

### **Insurance Coverage and Liability Limitations**

Movers and moving brokers must maintain liability and motor vehicle insurance. A mover who operates more than two vehicles is required to maintain liability insurance of at least \$10,000 per shipment, and not less than 60 cents per pound, per article.<sup>12</sup> Movers who operate fewer than two

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<sup>2</sup> *Id.*

<sup>3</sup> See, e.g., Jackie Callaway, *Record Number of People File Complaints About Florida Movers in 2021; BBB rates 1,300 Companies 'F'*, (Dec. 2, 2021), <https://www.abcactionnews.com/money/consumer/taking-action-for-you/record-number-of-people-file-complaints-about-florida-movers-in-2021-bbb-rates-1-300-companies-f> (last visited Jan. 28, 2022).

<sup>4</sup> Florida Attorney General’s Office, *Scams at a Glance: On the Move*, [http://myfloridalegal.com/webfiles.nsf/WF/TDGT-BYLOQL/\\$file/Movers\\_Scams+at+a+Glance\\_English.pdf](http://myfloridalegal.com/webfiles.nsf/WF/TDGT-BYLOQL/$file/Movers_Scams+at+a+Glance_English.pdf) (last visited Jan. 28, 2022).

<sup>5</sup> Section 507.02, F.S.

<sup>6</sup> Interstate movers in the U.S. must be licensed by the Department of Transportation’s Federal Motor Carrier Safety Administration (FMCSA).

<sup>7</sup> Section 507.01(9), F.S.

<sup>8</sup> Section 507.01(10), F.S.

<sup>9</sup> Florida Department of Agriculture and Consumer Services (FDACS), *Moving Companies: Who has to Register?*, <https://www.fdacs.gov/Business-Services/Moving-Companies> (last visited Jan. 28, 2022).

<sup>10</sup> FDACS, *License/Complaint Lookup*, <https://csapp.fdacs.gov/cspublicapp/businesssearch/businesssearch.aspx> (last visited Jan. 28, 2022). Search by “program.”

<sup>11</sup> Section 507.03, F.S.

<sup>12</sup> Section 507.04(1)(a)1. and 507.04(4), F.S.

vehicles are required only to carry either a \$25,000 performance bond or a \$25,000 certificate of deposit in lieu of liability insurance.<sup>13</sup>

Any contractual limitation to a mover's liability for loss incurred to a shipper's goods must be disclosed in writing to the shipper, along with the valuation rate, but a mover's attempt to limit its liability beyond the minimum 60 cents per pound, per article rate is void under s. 507.04(4), F.S. If the mover offers valuation insurance, it must inform the shipper of the opportunity to purchase valuation coverage to compensate the shipper for household goods that are lost or damaged during a household move prior to execution of the contract for moving services.<sup>14</sup>

### **Violations and Penalties**

Section 507.05, F.S., requires an intrastate mover to provide an estimate and contract to the shipper before commencing the move. Should a dispute arise over payment or costs, s. 507.06, F.S., provides that the mover may place the shipper's goods in a storage unit until payment is tendered. Because of ambiguity regarding what payment may legally be demanded, some shippers have been taken advantage of by deceptive or fraudulent moving practices. Often, moving fraud manifests as an increased fee assessed by the mover, who then refuses to relinquish the shipper's goods until the inflated price has been paid in full.

While administrative, civil, and criminal penalties exist in ch. 507, F.S., for such fraudulent moving practices and other violations, the aggrieved shipper is not guaranteed the return of his or her goods until after such remedies have been finalized.

In March of 2021, the Florida Consumer Protection Division within the Office of the Attorney General secured four judgments against moving companies that used deceptive advertising, failed to provide proper estimates, failed to relinquish household goods, and failed to provide timely pick-up or delivery of goods in accordance with service contracts.<sup>15</sup>

### **Local Ordinances and Regulations**

Chapter 507, F.S., preempts local ordinances or regulations that relate to household moving, unless the local regulation was adopted prior to January 1, 2011.<sup>16</sup> Broward,<sup>17</sup> Miami-Dade,<sup>18</sup>

<sup>13</sup> Section 507.04(1)(b), F.S.

<sup>14</sup> Section 507.04(5), F.S.

<sup>15</sup> Office of the Attorney General, *Attorney General Moody Shuts Down Moving Scams and Recovers Millions for Consumers Duped by Malicious Movers* (Mar. 2, 2021), <http://www.myfloridalegal.com/newsrel.nsf/newsreleases/0BFF0224649D124D8525868C005A765F?Open&> (last visited Jan. 28, 2022).

<sup>16</sup> Section 507.13, F.S.

<sup>17</sup> Broward County Government, *Movers*, <https://www.broward.org/Consumer/ConsumerProtection/Movers/Pages/default.aspx> (last visited Jan. 28, 2022).

<sup>18</sup> Miami-Dade County, *Moving Companies—Laws & Tips*, <https://www.miamidade.gov/global/economy/consumer-protection/moving-companies.page#:~:text=Movers%20must%20insure%20your%20property,the%20value%20of%20your%20property.&text=The%20amount%20of%20added%20value%20you%20purchase%20is%20up%20to%20you>. (last visited Jan. 28, 2022).

Palm Beach,<sup>19</sup> and Pinellas<sup>20</sup> counties currently have such ordinances. Movers or moving brokers whose principal place of business is located in a county or municipality with such an ordinance are required to register under local and state laws. State law also allows for local taxes, fees, and bonding related to movers and moving brokers, so long as any local registration fees are reasonable and do not exceed the cost of administering the ordinance or regulation.<sup>21</sup>

### III. Effect of Proposed Changes:

#### Definitions and Legislative Intent

**Section 1** defines terms used in the bill, and deletes the definition of “estimate” (but provides for a binding estimate in later sections). Additionally, “personal laborers” who assist shippers exclusively with the loading or unloading of their household goods are excluded from the definition of “mover.”

**Section 2** provides that the bill is intended to provide consistency and transparency in moving practices and to create a presumption that movers will educate uninformed shippers.

#### Mover Registration

**Section 3** amends s. 507.03, F.S., to explicitly state the criminal convictions (or pending criminal, administrative, or enforcement proceedings) upon which the Department may deny, refuse to renew, or revoke a mover or moving broker’s registration. These criminal actions include crimes that involve fraud, theft, larceny embezzlement, or fraudulent conversion or misappropriation of property, or crimes that arise from conduct during a movement of household goods.

#### Insurance Requirement

**Section 4** amends the insurance requirements in s. 507.04, F.S. The bill requires movers to maintain current and valid *cargo* liability insurance coverage. The bill also removes the 60 cents per pound, per article minimum liability insurance requirement for the loss or damage of household goods, but adds a requirement that a mover place valuation coverage<sup>22</sup> equal to the cost of repair or replacement of the shipper’s goods, unless the shipper waives such coverage by signed or electronic acknowledgement in the moving contract. Valuation coverage can be more valuable to shippers than liability insurance in instances of loss of relatively light items, e.g., electronics, are lost or damaged during the move because they will be insured based on their value rather than their weight.

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<sup>19</sup> Palm Beach County, *Moving*, <https://discover.pbcgov.org/publicsafety/consumeraffairs/pages/moving.aspx> (last visited Jan. 28, 2022).

<sup>20</sup> Pinellas County, *Moving*, <https://www.pinellascounty.org/consumer/moving.htm> (last visited Jan. 28, 2022).

<sup>21</sup> Section 507.13, F.S.

<sup>22</sup> Valuation coverage will only cover loss caused by the mover’s fault, whereas moving coverage, available through an insurance agent, will cover loss caused by “acts of God.” Federal Motor Carrier Safety Administration, *Your Rights and Responsibilities When You Move*, 6-8 (2013), <https://www.fmcsa.dot.gov/sites/fmcsa.dot.gov/files/docs/Rights-and-Responsibilities-2013.pdf> (last visited Jan. 28, 2022).

## **Before the Move**

**Section 7** creates s. 507.055, F.S., which requires a mover to provide a prospective shipper with an informational publication (see section 6) and a binding estimate (see section 5) prior to entering into any contract for moving services. Specifically, the mover must provide a copy of the binding estimate to the shipper at the time that the shipper acknowledges the binding estimate with his or her electronic or written signature. Additionally, the mover must keep a copy of the binding estimate, and any addenda thereto, for at least 1 year after each move.

### ***Department Publication***

**Section 6** creates s. 507.054, F.S., which mandates that the Department prepare a publication entitled “Your Rights and Responsibilities When You Move. Furnished by Your Mover, as Required by Florida Law.” This booklet, distributed by movers, must:

- Describe the shipper’s and mover’s rights and responsibilities, applicable civil and criminal penalties, and remedies available to a shipper;
- Include a warning of the risks of shipping sentimental or family heirlooms; and
- Measure at least 36 square inches.

The Department must make the publication available on its website. The mover must give an electronic or hard copy of the publication to shippers at the physical survey of their household goods, or before contracting for the household move. The shipper must acknowledge receipt of this publication by electronic or signed acknowledgement in the contract.

### ***Binding Estimate***

The binding estimate, described in **section 5** of the bill, must be based on the mover’s physical survey of the household goods to be moved. In addition, it must:

- Be provided to the shipper before the execution of a contract for services, and at least 48 hours before the move. However, this 48-hour period may be waived if the shipper’s initial contact with the mover is within the 48-hours prior to the requested move;
- Include at least an itemized total cost for the loading, transport or shipment, and unloading of household goods and accessorial services;
- Provide a table of measures used by the mover in preparing the estimate;
- Evince the date the estimate was prepared and the proposed date of the move;
- State that the estimate is binding on the mover and shipper;
- Identify accepted forms of payment; and
- Bear the signature, in either written or electronic format, of both parties.

### ***Amendment of the Binding Estimate***

A binding estimate can only be amended if:

- The shipper tenders additional household goods, requests additional services, or requires services that are not specifically included in the original binding estimate;
- The mover advises the shipper in advance of performance of the contract that impracticable operations are required to perform the move; or
- The mover and shipper mutually agree.

The shipper and mover must formalize in writing any amendment to the binding estimate that results either from additional services requested by the shipper, or impracticable operations. In both instances, the mover must provide a description of the additional services required as a result of the shipper's request or impracticable operations and afford the shipper at least 1 hour to consider the addendum before being required to sign. The mover must maintain any such addenda for at least 1 year after the document was prepared as an attachment to the contract for service.

The mover can require the shipper to pay these additional costs agreed to as a result of the shipper's additional requests at the destination. If the shipper refuses to execute the addendum, the mover may refuse to perform the additional services.

If the mover and shipper agreed to an addendum as a result of impracticable operations, the mover must bill the shipper for the additional costs within 15 days of the delivery. If the shipper does not agree to pay the additional charges associated with the impracticable operations, the mover must perform the services and bill the shipper; it is the mover's burden to show that these impracticable operations were required to properly perform the move.

If the mover begins to load the household goods onto the moving truck, it cannot execute a new binding estimate and must abide by the terms of the original binding estimate.

#### *Waiver of the Binding Estimate*

A shipper may waive the binding estimate only if he or she does so by electronic or signed acknowledgement outside of the 48-hour period before his or her household goods are loaded by the mover. A waiver of the binding estimate is considered an addendum to the moving contract, and must include a provision in text that is larger than the remaining text of the waiver that warns the shipper that he or she may lose specific rights by executing the waiver. One such right that a shipper loses when he or she waives the binding estimate is the presumption that the mover cannot collect more than the binding estimate for the services provided.

A shipper may also waive the 48-hour "cooling off" period if his or her initial contact with the mover occurs within 48 hours of the proposed move.

#### ***Contract for Moving Services***

A mover and shipper must enter into a contract for services prior to the performance of any services, and the shipper must sign or electronically acknowledge and date the contract. In accordance with **section 5** of the bill, the contract must include:

- Contact information of both parties;
- Date contract was prepared and date of the move;
- Where the goods will be stored, including in the case of a contract dispute;
- A copy of the binding estimate;
- Total cost to shipper that may be collected by the mover at delivery, and terms of the payment; and
- Acceptable forms of payment.

The mover must retain a copy of the binding estimate and the contract for one year after its execution and keep a copy with him or her during the entire move, should a dispute over cost or payment arise.

### **Payment and Delivery of Goods**

**Section 8** amends s. 507.06, F.S., to require a mover to relinquish a shipper's goods inside the location directed by the shipper during the agreed upon timeframe, if the shipper paid the exact amount of the binding estimate, paid any additional charges properly agreed to by both parties in writing, if applicable, and paid any charges related to impracticable operations, if applicable. Additionally, the bill requires the mover to notify the shipper if it is unable to perform pickup or delivery of the household goods on the date agreed upon in the contract for services, and to establish an amended date or timeframe for performance of the contract.

**Section 9** creates s. 507.065, F.S., to provide that a mover may require payment in excess of the binding estimate prior to his or her relinquishment of the household goods, if:

- The shipper waived the binding estimate at least more than 48 hours before the move was begun;
- Prior to beginning the move, the parties negotiate a revised binding estimate to reflect extra services requested by the shipper.
- The shipper, after at least a one-hour cool off period, consents by written contract addendum to the mover's performance of (and charging for) additional services that the mover has advised are essential to the move as a result of impracticable operations.
- After execution of the contract, the shipper requests additional services and the mover informs the shipper of associated charges in writing.
- Impracticable operations require additional services to be performed by the mover.

The mover cannot demand payment of any additional charges assessed under ch. 507, F.S., prior to relinquishing the shipper's household goods, but may collect payment by billing the shipper within 15 days after delivery of the goods. A mover can assess a late fee for any charges that are not paid by the shipper within 30 days of his or her receipt of the bill.

### **Violations and Penalties**

**Section 10** prohibits increasing the contracted cost of the move, if not in accordance with the law, improperly withholding a shipper's goods, seeking a waiver that is not expressly authorized, and otherwise failing to comply with chapter 507.

**Section 11** permits the Department to take immediate action to suspend a registration or the processing of an application if the registrant, applicant, or an officer or director is formally charged with a crime that involves fraud, theft, larceny, embezzlement, or fraudulent conversion or misappropriation of property, or a crime arising from conduct during movement of household goods. The Department can lift the suspension upon final disposition of the case, or removal or resignation of the officer or director.

**Sections 12 and 13** make conforming changes to ss. 507.10 and 507.11, F.S., accordingly, to incorporate amendments made elsewhere in the bill.

**Rulemaking Authority**

**Section 14** transfers rulemaking authority from s. 507.07, F.S., to permit a more general grant of rulemaking authority to the Department to administer the provisions of ch. 507, F.S.

**Effective Date**

**Section 15** creates an effective date of July 1, 2022.

**IV. Constitutional Issues:**

## A. Municipality/County Mandates Restrictions:

None.

## B. Public Records/Open Meetings Issues:

None.

## C. Trust Funds Restrictions:

None.

## D. State Tax or Fee Increases:

None.

## E. Other Constitutional Issues:

None identified.

**V. Fiscal Impact Statement:**

## A. Tax/Fee Issues:

None.

## B. Private Sector Impact:

The public may see a faster resolution to moving disputes that arise due to the provisions in the bill

## C. Government Sector Impact:

The bill requires the Department to prepare a publication that includes a summary of the rights and responsibilities of, and remedies available to, movers and shippers.



The Department may be required to engage in rulemaking to amend Florida Administrative Code Rule 5J-15 to incorporate changes made by the bill

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

The bill substantially amends the following sections of the Florida Statutes: 507.01, 507.02, 507.03, 507.04, 507.05, 507.06, 507.07, 507.09, 507.10, and 507.11.

The bill creates the following sections of the Florida Statutes: 507.054, 507.055, 507.065, and 507.14.

**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.