

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 Fiscal Policy

BILL: SB 304

INTRODUCER: Senator Hooper

SUBJECT: Household Moving Services

DATE: January 29, 2024

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>McMillan</u>	<u>McKay</u>	<u>CM</u>	Favorable
2.	<u>Blizzard</u>	<u>Betta</u>	<u>AEG</u>	Favorable
3.	<u>McMillan</u>	<u>Yeatman</u>	<u>FP</u>	Favorable

I. Summary:

SB 304 broadens protections for consumers who use intrastate moving services by:

- Providing additional registration and proof of registration requirements for movers and moving brokers;
- Providing for a required performance bond or certificate of deposit in certain circumstances for shippers' moved goods;
- Requiring a binding estimate of the cost of services, including any applicable fees of a moving broker, to be provided by the mover to a prospective shipper;
- Requiring a moving broker to arrange with a registered mover for the loading, transportation, shipment, or unloading of household goods as part of a household move;
- Requiring a moving broker to include certain information on any document provided by the moving broker to a shipper; and
- Requiring the Department of Agriculture and Consumer Services to suspend a mover's or moving broker's registration under certain circumstances.

The bill has an indeterminate, but likely insignificant impact on state revenues or expenditures.

The bill provides an effective date of July 1, 2024.

II. Present Situation:

Moving Scams

The Better Business Bureau (BBB) has seen a marked increase in complaints and negative reviews about movers in recent years.¹ In 2022, nearly 15,198 complaints were filed with the BBB against moving companies.² Additionally, consumers reported more than \$129,040 lost to moving scams to the BBB Scam Tracker.³

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 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.^{4,5}

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.⁶

On December 8, 2022, Attorney General Moody filed legal action against three individuals, two holding companies, and multiple fraudulent moving brokerage businesses.⁷ According to the consumer protection investigation, the businesses acted as a common enterprise to deceive more than 400 Floridians into believing the company professionally handled moving services, and promised to provide refunds if anything went wrong. Instead, the companies hired third parties to complete the moving services at subpar quality and refused to provide refunds.⁸

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

¹ Better Business Bureau, *Know Your Mover: BBB Study Reveals Scammers Price Gouge, Take Belongings Hostage, and Destroy Goods* (Jun. 30, 2020), available at <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 Dec. 4, 2023).

² Better Business Bureau, *BBB Scam Alert: Avoid Moving Scams this National Moving Month* (May 17, 2023) available at <https://www.bbb.org/article/scams/24198-bbb-scam-alert-avoid-moving-scams-this-national-moving-month> (last visited Dec. 4, 2023).

³ *Id.*

⁴ Better Business Bureau, *Know Your Mover: BBB Study Reveals Scammers Price Gouge, Take Belongings Hostage, and Destroy Goods* (Jun. 30, 2020), available at <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 Dec. 4, 2023).

⁵ 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), available at <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 Dec. 4, 2023).

⁶ Florida Attorney General's Office, *Scams at a Glance: On the Move*, available at [http://myfloridalegal.com/webfiles.nsf/WF/TDGT-BYLQQL/\\$file/Movers_Scams+at+a+Glance_English.pdf](http://myfloridalegal.com/webfiles.nsf/WF/TDGT-BYLQQL/$file/Movers_Scams+at+a+Glance_English.pdf) (last visited Dec. 4, 2023).

⁷ See Office of Attorney General Ashley Moody, *Attorney General Moody Takes Action to Shut Down Massive Moving Scam* (Dec. 8, 2022), available at [News Release - Attorney General Moody Takes Action to Shut Down Massive Moving Scam \(myfloridalegal.com\)](https://www.myfloridalegal.com/news-release-attorney-general-moody-takes-action-to-shut-down-massive-moving-scam) (last visited Dec. 4, 2023).

⁸ *Id.*

originates and terminates in Florida.⁹ These regulations co-exist with federal law, which governs interstate moving of household goods.¹⁰

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.¹¹ 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.¹²

Movers and moving brokers who do business in Florida must register annually with the Department of Agriculture and Consumer Services (Department).¹³ As of December 4, 2023, there were 1,348 movers and 39 moving brokers with active Florida registrations.¹⁴ 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.¹⁵

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.¹⁶ Movers who operate fewer than two vehicles are required only to carry either a \$25,000 performance bond or a \$25,000 certificate of deposit in lieu of liability insurance.¹⁷

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.¹⁸

⁹ Section 507.02, F.S.

¹⁰ Interstate movers in the U.S. must be licensed by the Department of Transportation’s Federal Motor Carrier Safety Administration (FMCSA).

¹¹ Section 507.01(9), F.S.

¹² Section 507.01(10), F.S.

¹³ Florida Department of Agriculture and Consumer Services (FDACS), *Moving Companies: Who has to Register?*, available at <https://www.fdacs.gov/Business-Services/Moving-Companies> (last visited Dec. 4, 2023).

¹⁴ FDACS, *License/Complaint Lookup*, available at <https://csapp.fdacs.gov/cspublicapp/businesssearch/businesssearch.aspx> (last visited Dec. 4, 2023). Search by “program.”

¹⁵ Section 507.03, F.S.

¹⁶ Sections 507.04(1)(a)1. and 507.04(4), F.S.

¹⁷ Section 507.04(1)(b), F.S.

¹⁸ Section 507.04(5), F.S.

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.¹⁹

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, 2011.²⁰ Broward,²¹ Miami-Dade,²² Palm Beach,²³ and Pinellas²⁴ 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.²⁵

III. Effect of Proposed Changes:

Definitions and Legislative Intent

Section 1 amends the following definitions in s. 507.01, F.S.;

¹⁹ Office of the Attorney General, *Attorney General Moody Shuts Down Moving Scams and Recovers Millions for Consumers Duped by Malicious Movers* (Mar. 2, 2021), available at <http://www.myfloridalegal.com/newsrel.nsf/newsreleases/0BFF0224649D124D8525868C005A765F?Open&> (last visited Dec. 4, 2023).

²⁰ Section 507.13, F.S.

²¹ Broward County Government, *Movers*, available at <https://www.broward.org/Consumer/ConsumerProtection/Movers/Pages/default.aspx> (last visited Dec. 4, 2023).

²² Miami-Dade County, *Moving Companies—Laws & Tips*, available at <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 Dec. 4, 2023).

²³ Palm Beach County, *Moving*, available at <https://discover.pbcbgov.org/publicsafety/consumeraffairs/pages/moving.aspx> (last visited Dec. 4, 2023).

²⁴ Pinellas County, *Moving*, available at <https://www.pinellascounty.org/consumer/moving.htm> (last visited Dec. 4, 2023).

²⁵ Section 507.13, F.S.

- “Contract for service” or “bill of lading” means a written document prepared by a registered mover which is approved and electronically acknowledged or signed by the shipper in writing before the performance of any service by the mover and which authorizes the named mover to perform the services and lists all costs associated with the household move and accessorial services to be performed;
- “Estimate” means a written document prepared by a registered mover which sets forth the total costs and describes the basis of those costs, related to a shipper’s household move, including, but not limited to, the loading, transportation or shipment, and unloading of household goods and accessorial services; and
- “Moving broker” or “broker” means a person who, for compensation, arranges with a registered mover for loading, transporting or shipping, or unloading of household goods as part of a household move or who, for compensation, refers a shipper to a registered mover.

Section 2 amends s. 507.02, F.S., to provide that the bill is intended to establish the law of Florida governing the brokering of moves of household goods by moving brokers.

Mover Registration

Section 3 amends s. 507.03, F.S., to clarify that “broker” means “moving broker.”

The bill clarifies that each estimate or contract of a “mover” must include a phrase that contains the following:

- The name of the firm;
- A Statement that includes the firm is registered with the State of Florida as a mover; and
- A Florida mover registration number.

The bill also clarifies that any document from a “moving broker” must include:

- The name of the firm;
- A statement that includes the firm is registered with the State of Florida as a moving broker; and
- A Florida moving broker registration number.

Additionally, the bill states that each advertisement of a “moving broker” must include the following:

- A Florida moving broker registration number;
- The name of the firm; and
- A phrase that states the firm is paid by a shipper to arrange, or offer to arrange, the transportation of property by a registered mover.

The bill requires each moving broker to provide the Department of Agriculture and Consumer Services (department) with a complete list of registered movers that the moving broker has contracted or is affiliated with, advertises on behalf of, arranges moves for, or refers shippers to, including each mover’s complete name, address, telephone number, email address, and registration number and the name of each mover’s owners, corporate officers, and directors. Additionally, a moving broker must notify the department of any changes to the provided

information, and the department must publish and maintain a list of all moving brokers and the registered movers each moving broker is contracted with on its website.

The bill provides that a person may not hold themselves out to be a mover or moving broker without first registering with the department.

The bill requires the department to immediately issue a cease and desist order to a person upon finding that such person is operating as a mover or moving broker without registering. Additionally, the department may seek an immediate injunction from the appropriate circuit court that prohibits the person from operating in Florida until the person complies with the registration requirement, a civil penalty not to exceed \$5,000, and court costs.

Insurance Requirement

Section 4 amends the insurance requirements in s. 507.04, F.S. The bill authorizes a mover that operates two or fewer vehicles, in lieu of maintaining liability insurance coverage, to maintain one of the following alternative coverages:

- A performance bond in the amount of \$50,000, up from the current \$25,000, for which the surety of the bond must be a surety company authorized to conduct business in Florida; or
- A certificate of deposit in a Florida banking institution in the amount of \$50,000, up from the current \$25,000.

The bill also requires a moving broker to maintain one of the above listed coverages.

The bill requires the department to immediately suspend a mover's or moving broker's registration if the mover or moving broker fails to maintain the required performance bond, certificate of deposit, or the appropriate insurance. In such cases, the mover or moving broker must immediately cease operating as a mover or moving broker in Florida. Additionally, the department may seek an immediate injunction from the appropriate circuit court that prohibits the person from operating in Florida until the person complies with the aforementioned requirements, a civil penalty not to exceed \$5,000, and court costs.

Estimates and Contracts for Service

Section 5 amends s. 507.05, F.S., to require that an estimate and a contract must be prepared by a registered mover and provided to a prospective shipper in writing, and the shipper, mover, and moving broker must sign or electronically acknowledge and date the estimate and contract.

The bill requires the estimate and contract for service to include the following:

- The name, telephone number, and physical address where the mover's and moving broker's employees are available during normal business hours;
- The date the estimate and contract were prepared by the mover and the proposed date or dates of the shipper's household move, including, but not limited to, loading, transportation, shipment, and unloading of household goods and accessorial services;
- The name and address of the shipper, the addresses where the articles are to be picked up and delivered, and a telephone number where the shipper may be reached;

- The name, telephone number, and physical address of the location where the household goods will be held pending further transportation, including situations in which the mover retains possession of household goods pending resolution of a fee dispute with the shipper;
- An itemized breakdown and description and total of all costs and services for loading, transportation or shipment, unloading, and accessorial services to be provided during a household move or storage of household goods, including the fees of a moving broker, if used; and
- Acceptable forms of payment, which must be clearly and conspicuously disclosed to the shipper on the binding estimate and the contract for services.

Moving Brokers

Section 6 creates s. 507.056, F.S., to provide requirements specific to moving brokers.

The bill establishes that a moving broker may only arrange with a registered mover for the loading, transportation, shipment, or unloading of household goods as part of a household move or refer a shipper to a registered mover. Moving brokers may not give a verbal estimate or prepare a written estimate or contract for services that sets forth the total costs and describes the basis of those costs relating to a shipper's household move, including, but not limited to, the loading, transportation, shipment, or unloading of household goods and accessorial services.

The bill provides that before providing any service to a prospective shipper, a moving broker must disclose to the shipper that the broker may only arrange, or offer to arrange, the transportation of property by a registered mover. Additionally, a moving broker's fees may not include the cost of the shipper's household move, including, but not limited to, the loading, transportation, shipment, or unloading of household goods and accessorial services.

The bill requires any document provided to a shipper by a moving broker to include the following:

- The name of the moving broker and the moving broker's registration number;
- The following statement displayed at the top of the document:
 - The name of the moving broker firm and that the firm is not a mover; and
 - The name of the moving broker firm and a phrase stating the moving broker is paid by the shipper to arrange, or offer to arrange, the transportation of property by a registered mover. The moving broker's fees do not include the cost of the shipper's household move, including, but not limited to, the loading, transportation, shipment, or unloading of household goods and accessorial services;
- The name, telephone number, and physical address where the moving broker's employees are available during normal business hours;
- An itemized breakdown and description and total of all costs for the moving broker's fees to arrange with a registered mover for the loading, transportation, shipment, or unloading of household goods as part of a household move or to refer the shipper to a registered mover;
- A list of all of the registered movers the moving broker has contracted with or is affiliated with, advertises on behalf of, arranges moves for, or refers shippers to, including each mover's complete name, address, telephone number, email address, Florida Intrastate Registration Number, and the name of each mover's owners, corporate officers, and directors; and

- A list of acceptable forms of payment, which must include all of the forms of payment listed in at least two of the following subparagraphs:
 - Cash, cashier's check, money order, or traveler's check;
 - Valid personal check, showing upon its face the name and address of the shipper or authorized representative; and
 - Valid credit card, which shall include, but not be limited to, Visa or MasterCard.

Violations and Penalties

Section 7 amends s. 507.07, F.S., to prohibit a moving broker from providing an estimate or entering into a contract or agreement for moving, loading, shipping, transporting, or unloading services with a shipper which was not prepared and electronically acknowledged or signed by a mover who is registered with the department.

Section 8 amends s. 507.09, F.S., to provide that upon notification and subsequent written verification by a law enforcement agency, a court, a state attorney, or the Department of Law Enforcement, the department must immediately suspend a registration or the processing of an application for a registration if the registrant, applicant, or officer or director of the registrant or applicant is formally charged with a crime involving;

- Fraud;
- Theft;
- Larceny;
- Embezzlement;
- Fraudulent conversion;
- Misappropriation of property; or
- A crime arising from conduct during a movement of household goods until final disposition of the case or removal or resignation of that officer or director.

Section 9 makes conforming changes to s. 507.10, F.S., to incorporate amendments made elsewhere in the bill.

Section 10 amends s. 507.11, F.S., to clarify that it is a felony of the third degree, if a mover or mover's employee, agent, or contractor refuses to comply with an order from a law enforcement officer to relinquish a shipper's household goods in the following scenarios:

- After the officer determines that the shipper has tendered payment of the amount of a written estimate or contract, and, if applicable, amendments to the contract for services reflecting the price adjustment signed by the shipper; or
- If the officer determines that the mover did not produce a signed or electronically acknowledged binding estimate or contract for service and, if applicable, amendments to the contract for services reflecting the price adjustment signed by the shipper.

Effective Date

Section 11 creates an effective date of July 1, 2024.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

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

C. Government Sector Impact:

Implementation of this bill will have an indeterminate fiscal impact to the department. Any additional operating costs will be absorbed within existing resources. There may be additional revenues collected, but will likely be insignificant.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill provides that upon notification and subsequent written verification by a law enforcement agency, a court, a state attorney, or the Department of Law Enforcement that a registrant, applicant, or officer or director of the registrant or applicant is formally charged with a crime involving fraud, theft, larceny, embezzlement, or fraudulent conversion, the Department of

Agriculture and Consumer Services (department) is required to suspend a registration or the processing of an application for registration until final disposition of the case or removal or resignation of that officer or director. However, it is unclear if the department is receiving notification and subsequent written verification by a law enforcement agency, a court, a state attorney, or the Department of Law Enforcement, or alternatively, if the department is receiving notification from any person or entity, and then getting a subsequent written verification from one of the aforementioned entities.

VIII. Statutes Affected:

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

This bill creates section 507.056 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.