

1 A bill to be entitled
 2 An act relating to home warranty transfers; amending
 3 s. 634.312, F.S.; limiting application of provisions
 4 relating to home warranty contract assignments;
 5 amending s. 634.331, F.S.; making technical changes;
 6 conforming provisions to changes made by the act;
 7 creating part IV of ch. 634, F.S., entitled
 8 "Miscellaneous Provisions"; creating s. 634.601, F.S.,
 9 providing definitions; creating s. 634.602, F.S.;
 10 providing requirements for express written warranties
 11 and home warranties transferred to subsequent home
 12 purchasers; providing construction; creating s.
 13 634.603, F.S.; defining an unfair method of
 14 competition and unfair or deceptive act or practice;
 15 providing for application; renaming ch. 634, F.S.;
 16 providing an effective date.

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

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 20 Section 1. Subsection (1) of section 634.312, Florida
 21 Statutes, is amended to read:

22 634.312 Forms; required provisions and procedures.—

23 (1) Except as provided in s. 634.602: ~~All~~

24 (a) Home warranty contracts are assignable in a consumer
 25 transaction and must contain a statement informing the purchaser

26 of the home warranty of her or his right to assign it, at least
27 within 15 days from the date the home is sold or transferred, to
28 a subsequent retail purchaser of the home covered by the home
29 warranty and all conditions on such right of transfer.

30 (b) The home warranty company may charge an assignment fee
31 not to exceed \$40.

32 (c) Home warranty assignments include, but are not limited
33 to, the assignment from a home builder who purchased the home
34 warranty to a subsequent home purchaser.

35 Section 2. Section 634.331, Florida Statutes, is amended
36 to read:

37 634.331 Coverage of property for sale.—A home warranty may
38 provide coverage of residential property during the listing
39 period of such property for a period not to exceed 12 months,
40 provided that the home warranty company charges the warranty
41 purchaser a separately identifiable charge for the listing
42 period coverage in an amount equal to at least 15 percent of the
43 annual premium charged for the home warranty and the charge for
44 such coverage is due at the ~~earlier of the~~ end of the listing
45 period ~~or the date the sale of the residential property is~~
46 ~~closed.~~ The requirements in s. 634.602 apply to a home warranty
47 that is transferred to the home purchaser.

48 Section 3. Part IV of chapter 634, Florida Statutes,
49 consisting of sections 634.601, 634.602, and 634.603, Florida
50 Statutes, is created to read:

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PART IV
Miscellaneous Provisions

634.601 Definitions.—As used in this part, the term:

(1) "Builder" means the primary contractor of a home who possesses the requisite skill, knowledge, and experience, and has the responsibility, to supervise, direct, manage, and control the contracting activities of the business organization with which she or he is connected and who has the responsibility to supervise, direct, manage, and control the construction work on a job for which she or he has obtained the building permit. Construction work includes, but is not limited to, construction of structural components.

(2) "Home warranty" or "warranty" has the same meaning as in s. 634.301.

(3) "Home warranty association" has the same meaning as in s. 634.301.

(4) "Indemnify" means to undertake repair or replacement of a home's structural component, or pay compensation for such repair or replacement by cash, check, or other similar means, including, but not limited to, electronic means.

(5) "Structural component" means one or more essential elements of a home, including, but not limited to, the roof, plumbing system, electrical system, foundation, basement,

76 exterior or interior walls, ceilings, floors, or spray foam. As
77 used in this subsection, the term "exterior walls" includes, but
78 is not limited to, any siding, stucco, or paint on the exterior
79 walls.

80 634.602 Structural component indemnification or coverage.—

81 (1) If a builder is obligated on and provides a home
82 purchaser an express written warranty that indemnifies a home
83 purchaser against the cost of repairing the structural
84 components of a home, the express written warranty and all
85 indemnification rights thereunder automatically transfer to any
86 subsequent purchaser of the home for the duration of the express
87 written warranty.

88 (2) If a builder purchases a home warranty from a licensed
89 home warranty association covering the structural components of
90 a home, the home warranty and all indemnification rights
91 thereunder automatically transfer to any subsequent purchaser
92 for the duration of the home warranty.

93 (3) This section does not modify or extend the
94 commencement date or the duration, or expand the scope of
95 coverage, of the express written warranty or home warranty, as
96 applicable, beyond the express written warranty's or home
97 warranty's terms.

98 (4) This section does not:

99 (a) Require a builder that is obligated on and provides a
100 home purchaser an express written warranty to obtain a license

101 under the Florida Insurance Code, and such practice does not
102 constitute the transaction of insurance subject to the
103 requirements of the code, unless otherwise required by law.

104 (b) Permit the provision of indemnification against
105 consequential damages arising from the failure of any structural
106 component, which practice constitutes the transaction of
107 insurance subject to the requirements of the Florida Insurance
108 Code.

109 634.603 Unfair method of competition and unfair or
110 deceptive act or practice defined.—It is an unfair method of
111 competition and unfair or deceptive act or practice to fail to
112 continue to perform obligations under the terms of an express
113 written warranty transferred to a subsequent home purchaser as
114 required in s. 634.602. This section applies to a method, act,
115 or practice of a builder, and its successors or assignees,
116 regarding an express written warranty issued by the builder.
117 Sections 634.335 and 634.336 and any otherwise applicable law
118 apply to a method, act, or practice of a home warranty
119 association, including, but not limited to, its successors or
120 assignees, regarding a home warranty issued by a home warranty
121 association.

122 Section 4. Chapter 634, Florida Statutes, entitled
123 "Warranty Associations," is renamed "Warranties and Warranty
124 Associations."

125 Section 5. This act shall take effect July 1, 2024.