

**By** the Committees on Commerce and Tourism; and Banking and Insurance; and Senator Burgess

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1                                   A bill to be entitled  
2       An act relating to home warranty transfers; amending  
3       s. 634.312, F.S.; providing a limitation on the  
4       application of provisions relating to home warranty  
5       contract assignments; amending s. 634.331, F.S.;  
6       making technical changes; conforming provisions to  
7       changes made by the act; creating part IV of ch. 634,  
8       F.S., entitled "Miscellaneous Provisions"; creating s.  
9       634.601, F.S., defining terms; creating s. 634.602,  
10      F.S.; providing requirements for express written  
11      warranties and home warranties transferred to  
12      subsequent home purchasers; providing for the  
13      assignment of maintenance contracts in certain  
14      circumstances; specifying conditions for the automatic  
15      transfer of home warranties that are conditions  
16      included in maintenance contracts; providing  
17      requirements of a subsequent purchaser who accepts the  
18      assignment of a maintenance contract, and of a builder  
19      or home warranty association in such instance;  
20      requiring a builder or home warranty association to  
21      provide certain notice to a subsequent purchaser;  
22      providing that such notification be at a certain  
23      address unless the builder or home warranty  
24      association are notified by the purchaser of a  
25      preferred method; restricting a builder or home  
26      warranty association from limiting the timeframe for  
27      notice by a subsequent purchaser; prohibiting a  
28      builder or home warranty association from charging a  
29      fee for transferring the warranty; providing

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30 construction; renaming ch. 634, F.S.; providing an  
31 effective date.

32  
33 Be It Enacted by the Legislature of the State of Florida:

34  
35 Section 1. Subsection (1) of section 634.312, Florida  
36 Statutes, is amended to read:

37 634.312 Forms; required provisions and procedures.—

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

39 (a) Home warranty contracts are assignable in a consumer  
40 transaction and must contain a statement informing the purchaser  
41 of the home warranty of her or his right to assign it, at least  
42 within 15 days from the date the home is sold or transferred, to  
43 a subsequent retail purchaser of the home covered by the home  
44 warranty and all conditions on such right of transfer.

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

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

50 Section 2. Section 634.331, Florida Statutes, is amended to  
51 read:

52 634.331 Coverage of property for sale.—A home warranty may  
53 provide coverage of residential property during the listing  
54 period of such property for a period not to exceed 12 months,  
55 provided that the home warranty company charges the warranty  
56 purchaser a separately identifiable charge for the listing  
57 period coverage in an amount equal to at least 15 percent of the  
58 annual premium charged for the home warranty and the charge for

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59 such coverage is due at the ~~earlier of the~~ end of the listing  
60 period ~~or the date the sale of the residential property is~~  
61 ~~closed.~~ The requirements in s. 634.602 apply to a home warranty  
62 that is transferred to the home purchaser.

63 Section 3. Part IV of chapter 634, Florida Statutes,  
64 consisting of sections 634.601 and 634.602, Florida Statutes, is  
65 created to read:

66  
67 PART IV

68 MISCELLANEOUS PROVISIONS

69  
70 634.601 Definitions.—As used in this part, the term:

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

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

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

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

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88       (5) "Structural component" means one or more essential  
89 elements of a home, including the roof, foundation, basement,  
90 exterior or interior walls, electrical and plumbing systems,  
91 ceilings, floors, or spray foam. The term includes any item  
92 covered in the terms of a home warranty.

93       634.602 Structural component indemnification or coverage.—

94       (1) Except as provided in this section, if a builder is  
95 obligated under and provides a home purchaser an express written  
96 warranty on or after January 1, 2025, that indemnifies a home  
97 purchaser against the cost of repairing the structural  
98 components of a home and such warranty has not become null and  
99 void or lawfully terminated under the terms of the warranty, the  
100 express written warranty and all indemnification rights, terms,  
101 and conditions thereunder shall automatically transfer to any  
102 subsequent purchaser of the home for the duration of the express  
103 written warranty.

104       (2) Except as provided in this section, if a builder  
105 purchases a home warranty from a licensed home warranty  
106 association on or after January 1, 2025, covering the structural  
107 components of a home and such warranty has not become null and  
108 void or lawfully terminated under the terms of the warranty, the  
109 home warranty and all indemnification rights, terms, and  
110 conditions thereunder shall automatically transfer to any  
111 subsequent purchaser for the duration of the home warranty.

112       (3) With respect to home maintenance contracts:

113       (a) A home warranty that is conditioned on the continuation  
114 of a maintenance contract shall automatically transfer to a  
115 subsequent purchaser pursuant to subsections (1) and (2) unless  
116 the subsequent purchaser declines the assignment of the

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117 underlying maintenance contract. If a subsequent purchaser  
118 accepts the assignment of the maintenance contract, the  
119 subsequent purchaser is obligated to comply with the terms and  
120 conditions of the maintenance contract, including, but not  
121 limited to, the payment of consideration. A builder or home  
122 warranty association must provide notice of any amounts due  
123 under the maintenance contract to a subsequent purchaser at the  
124 home address covered by such contract unless the subsequent  
125 purchaser notifies the builder or home warranty association of a  
126 preferred method of notification.

127 (b) Unless a maintenance contract is a condition of a home  
128 warranty, the home warranty does not automatically transfer to a  
129 subsequent purchaser. Such maintenance contract shall transfer  
130 to a subsequent purchaser only to the extent that the builder or  
131 home warranty association and subsequent purchaser agree to the  
132 assignment of the contract.

133 (4) A subsequent purchaser who receives the benefit of a  
134 warranty being automatically transferred to him or her for the  
135 duration of the home warranty pursuant to this section must  
136 notify the builder or home warranty association that he or she  
137 has purchased the home and therefore is the warrantee under the  
138 home warranty. Such notice may be given at any time while the  
139 warranty remains in effect. A builder or home warranty  
140 association may not require in the terms of a warranty a shorter  
141 notice period than provided for in this subsection.

142 (5) A builder may not charge a fee for a transfer of a  
143 warranty which occurs automatically pursuant to this section.

144 (6) This section does not:

145 (a) Modify or extend the commencement date or the duration,

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146 or expand the scope of coverage, of the express written warranty  
147 or home warranty, as applicable, beyond the express written  
148 warranty's or home warranty's terms.

149 (b) Require a builder or home warranty association to be  
150 obligated under a warranty that has become null and void  
151 pursuant to the terms of the warranty.

152 (c) Require a builder that is obligated under and provides  
153 a home purchaser an express written warranty to obtain a license  
154 under the Florida Insurance Code, and such practice does not  
155 constitute the transaction of insurance subject to the  
156 requirements of the code, unless otherwise required by law.

157 (d) Permit the provision of indemnification against  
158 consequential damages arising from the failure of any structural  
159 component, which practice constitutes the transaction of  
160 insurance subject to the requirements of the Florida Insurance  
161 Code.

162 (e) Require any subsequent purchaser to be bound by the  
163 terms of a home maintenance contract unless he or she agrees to  
164 the maintenance contract being assigned to him or her.

165 Section 4. Chapter 634, Florida Statutes, entitled  
166 "Warranty Associations," is renamed "Warranties and Warranty  
167 Associations."

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