



651292

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/12/2025	.	
	.	
	.	
	.	

---

The Committee on Judiciary (Grall) recommended the following:

**Senate Substitute for Amendment (263874) (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Section 655.97, Florida Statutes, is created to  
read:

655.97 Lawyer or law firm trust account interest rates.—

(1) A financial institution may hold funds in an interest-  
bearing trust account of a lawyer or law firm in which the  
institution remits interest or dividends on the balance of the



651292

deposited funds to an entity established by the Supreme Court for the purpose of providing or facilitating the provision of free legal services to low-income individuals or other purposes authorized by the Supreme Court. If the institution holds such an account, it must quarterly select one of the two interest rate alternatives to determine the interest it will pay to the entity established by the Supreme Court:

(a) The first interest rate alternative must be set at the highest interest rate or dividend generally available from the institution to its comparable business or consumer accounts or nonmaturing deposit accounts, provided that the trust account meets or exceeds the same minimum balance or other account requirements.

1. If a financial institution chooses to pay the rate alternative provided in this paragraph, it must submit a rate validation sheet and affidavit to the Chief Financial Officer by the tenth day of each quarter attesting that it will pay at least the same interest on the lawyer or law firm trust accounts that it is paying on its comparable business or consumer accounts or nonmaturing deposit accounts.

2. The affidavit must attest that the rate information submitted on the rate validation sheet is true and factual.

3. The Chief Financial Officer shall verify that the rate validation sheet and affidavit have been received by the Department of Financial Services.

(b) The second interest rate alternative must be set at 25 percent of the federal funds target rate determined by the Federal Open Market Committee of the Federal Reserve System or 0.25 percent, whichever is higher, net of fees.



651292

1. Each December 1, March 1, June 1, and September 1, the Chief Financial Officer shall determine the interest rate of the second interest rate alternative. The rate alternative determined by the Chief Financial Officer is effective on the following January 1, April 1, July 1, and October 1, respectively.

2. Within 3 days after determining the interest rate under this paragraph, the Chief Financial Officer shall inform the entity established by the Supreme Court of the determined interest rate for the upcoming quarter.

(2) This section does not apply to interest rates established by written contract or obligations unrelated to the trust accounts described by this section.

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 trust fund interest for purposes approved by the Supreme Court; creating s. 655.97, F.S.; establishing two quarterly interest rate alternatives for financial institutions to pay to an entity established by the Supreme Court for the purpose of providing free legal services to low-income individuals and other purposes approved by the Supreme Court; requiring financial institutions to attest that it will pay a certain interest rate; requiring the



651292

Chief Financial Officer to set an interest rate;  
providing applicability; providing an effective date.

WHEREAS, in September 1981, the Florida Supreme Court implemented the nation's first Interest on Trust Accounts (IOTA) Program, establishing a vital funding source for civil legal aid, justice system improvements, and public service programs for law students, and

WHEREAS, Funding Florida Legal Aid (FFLA), formerly known as The Florida Bar Foundation, and the Florida Bankers Association cooperated for decades to sustain the program and encourage participation, and

WHEREAS, in March 2023, the Florida Supreme Court adopted new rules requiring lawyers to secure interest rates based on the Wall Street Journal Prime Rate, compelling banks to pay higher rates for IOTA accounts than for similar accounts, and

WHEREAS, 44 states, the District of Columbia, and Puerto Rico have mandatory IOTA programs modeled after Florida's pre-2023 system, while 5 states and the U.S. Virgin Islands operate voluntary or opt-out programs, and

WHEREAS, the 2023 rule change made Florida an outlier compared to other jurisdictions where IOTA rates are typically benchmarked against interest-bearing checking account rates, and

WHEREAS, the Wall Street Journal Prime Rate serves as a benchmark for lending and is not used to set deposit account rates, and

WHEREAS, the 2023 rule change resulted in banks paying higher rates on funds in IOTA accounts, resulting in record revenues, exceeding \$279 million, paid to FFLA during the 2023-



651292

2024 fiscal year, nearly four times the prior peak rate, and far exceeding average annual interest revenues, and

WHEREAS, in October 2024, the Florida Supreme Court authorized FFLA to hold nearly \$143 million in reserve, and

WHEREAS, it is in the best interests of this state for the Legislature to establish statutory benchmarks for IOTA rates to ensure regulatory safety, fairness, and sustainability, similar to the quarterly interest rate determinations made by the Chief Financial Officer for interest paid on court judgments, NOW, THEREFORE,