

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 Transportation

BILL: CS/SB 1080

INTRODUCER: Transportation Committee and Senator DiCeglie

SUBJECT: Transportation

DATE: January 20, 2026

REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Johnson	Vickers	TR	Fav/CS
2. _____	_____	CM	_____
3. _____	_____	RC	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1080 requires the Florida Department of Transportation (FDOT) to adopt rules providing circumstances under which it may make direct payments to a first-tier subcontractor, including specified conditions, with the amount paid to the subcontractor deducted from the amount paid to the contractor.

The bill also requires that, if due to default by the contractor, FDOT and the surety enter into a takeover agreement, such agreement must require the surety's completion contractor to meet the certificate of qualification requirements of the original contract bid solicitation and that the surety must follow the contract's procedures regarding the payment of subcontractors.

This bill does not appear to have a fiscal impact on state or local government entities.

This bill takes effect July 1, 2026.

II. Present Situation:

Florida Department of Transportation Contracting Authority

Section 337.11, F.S., authorizes the Florida Department of Transportation (FDOT) to enter into contracts for the construction and maintenance of roads and related facilities under its jurisdiction.¹

Every contract let by FDOT for the performance of work must require the prime contractor, before receiving any progress payment under such contract, to certify that the prime contractor has disbursed to all of its subcontractors and suppliers their pro rata shares of the payment out of previous progress payments received by the prime contractor for all work completed and materials furnished in the previous period,² as FDOT approved payment. FDOT may not make any such progress payment before receiving such certification, unless the contractor demonstrates good cause for not making any such required payment and furnishes written notification of any such good cause to both FDOT and the affected subcontractors and suppliers.³

Every contract let by FDOT for the performance of work must require the prime contractor, within 30 days of receipt of the final progress payment or any other payments received thereafter except the final payment, to pay all of its subcontractors and suppliers their pro rata shares of the payment for all work completed and materials furnished, unless the contractor demonstrates good cause for not making any such required payment and furnishes written notification of any such good cause to both FDOT and the affected subcontractors or suppliers within such 30-day period.⁴

Surety Bonds for FDOT's Construction and Maintenance Contracts

Section 337.18, F.S., requires a surety bond of the successful bidder in an amount equal to the awarded contract price for a FDOT contract. However, in limited circumstances, FDOT has the discretion to authorize phased bonding or waive all or a portion of the bond requirement.⁵

FDOT's contracts must provide for the determination of default on the part of any contractor for cause attributable to such contractor. FDOT is not liable for anticipated profits for unfinished work on a contract which it has determined to be in default.⁶

FDOT Certificate of Qualification

Section 337.14, F.S., requires FDOT to prequalify any contractor wishing to bid on a contract in excess of \$250,000. Rule 14-22, F.A.C., provides FDOT's rules regarding obtaining a certificate of qualification.

¹ Section 337.11(1), F.S.

² This is less any retainage withheld by the prime contractor pursuant to an agreement with a subcontractor.

³ Section 337.11(11)(a), F.S.

⁴ Section 337.11(11)(b), F.S.

⁵ Section 337.18(1)(a), F.S.

⁶ Section 337.18(2), F.S.

III. Effect of Proposed Changes:

Section 1 amends s. 337.11, F.S. to require FDOT to adopt rules establishing circumstances under which it may make direct payments to first-tier subcontractors. Such circumstances must include all of the following:

- The contractor has not requested payment from FDOT in the past six months.
- There is a binding, written subcontract between the contractor and the subcontractor, and FDOT is in possession of a complete copy of the contract.
- The subcontractor has performed work that is unpaid by the subcontractor, and FDOT has sufficient documentation of such unpaid work.
- There is no bona fide, documented dispute between the contractor and the subcontractor.

The amounts FDOT pays to the subcontractor must be deducted from amounts otherwise due to the contractor.

Section 2 amends s. 337.18, F.S., to provide that if, due to a default by the contractor, FDOT and the surety enter into a takeover agreement such agreement must require the surety's completion contractor to meet the certification of qualification requirements in the original contract's bid solicitation. The bill also requires the surety to follow the contract's procedures regarding the certification of disbursement of payment to subcontractors.

Section 3 provides that this bill takes effect July 1, 2026.

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:

FDOT's rules specifying circumstances under which it may directly pay subcontractors may have a positive fiscal impact on such subcontractors. However, the fiscal impact is indeterminate.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

Section 1 of the bill may need to be clarified regarding whether or not FDOT's payments to the contractor and any dispute between the contractor and the subcontractor apply for all projects or for the specific project in which the subcontractor is requesting payment.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 337.11 and 337.18.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Transportation on January 20, 2026:

The committee substitute:

- Requires FDOT to adopt rule regarding the circumstances under which it may directly pay first-tier subcontractors; and
- Requires the completion contractor in a takeover agreement to meet the same certification of qualification requirements as in the original contract's bid solicitation.

B. Amendments:

None.