

1                   A bill to be entitled  
2       An act relating to the prohibition of pyramid  
3       promotional schemes; amending s. 849.091, F.S.;  
4       deleting provisions relating to pyramid sales schemes;  
5       creating s. 849.0913, F.S.; providing definitions;  
6       prohibiting a person from establishing, promoting,  
7       operating, or participating in a pyramid promotional  
8       scheme; providing penalties; providing for  
9       restitution; providing that specified provisions and  
10      penalties are in addition to civil, administrative, or  
11      criminal actions provided by law; providing an  
12      effective date.

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

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16           **Section 1.   Section 849.091, Florida Statutes, is amended**  
17   **to read:**

18           849.091   Chain letters, pyramid clubs, etc., declared a  
19   lottery; prohibited; penalties.—

20           ~~(1)~~   The organization of any chain letter club, pyramid  
21   club, or other group organized or brought together under any  
22   plan or device whereby fees or dues or anything of material  
23   value to be paid or given by members thereof are to be paid or  
24   given to any other member thereof, which plan or device includes  
25   any provision for the increase in such membership through a

26 chain process of new members securing other new members and  
27 thereby advancing themselves in the group to a position where  
28 such members in turn receive fees, dues, or things of material  
29 value from other members, is hereby declared to be a lottery,  
30 and whoever shall participate in any such lottery by becoming a  
31 member of, or affiliating with, any such group or organization  
32 or who shall solicit any person for membership or affiliation in  
33 any such group or organization commits a misdemeanor of the  
34 first degree, punishable as provided in s. 775.082 or s.  
35 775.083.

36 ~~(2) A "pyramid sales scheme," which is any sales or~~  
37 ~~marketing plan or operation whereby a person pays a~~  
38 ~~consideration of any kind, or makes an investment of any kind,~~  
39 ~~in excess of \$100 and acquires the opportunity to receive a~~  
40 ~~benefit or thing of value which is not primarily contingent on~~  
41 ~~the volume or quantity of goods, services, or other property~~  
42 ~~sold in bona fide sales to consumers, and which is related to~~  
43 ~~the inducement of additional persons, by himself or herself or~~  
44 ~~others, regardless of number, to participate in the same sales~~  
45 ~~or marketing plan or operation, is hereby declared to be a~~  
46 ~~lottery, and whoever shall participate in any such lottery by~~  
47 ~~becoming a member of or affiliating with, any such group or~~  
48 ~~organization or who shall solicit any person for membership or~~  
49 ~~affiliation in any such group or organization commits a~~  
50 ~~misdemeanor of the first degree, punishable as provided in s.~~

~~775.082 or s. 775.083. For purposes of this subsection, the term "consideration" and the term "investment" do not include the purchase of goods or services furnished at cost for use in making sales, but not for resale, or time and effort spent in the pursuit of sales or recruiting activities.~~

**Section 2. Section 849.0913, Florida Statutes, is created to read:**

849.0913 Pyramid promotional schemes prohibited; definitions; exceptions; penalties.-

(1) As used in this section, the term:

(a) "Compensation" means a payment of any money, thing of value, or financial benefit conferred in return for inducing a person to participate in a pyramid promotional scheme.

(b) "Consideration" means the payment of money or the purchase of a product, good, service, or intangible property. The term does not include the purchase of a product or service furnished at cost to be used in making a sale and not for resale or any time and effort spent in pursuit of sales or recruiting activities.

(c) "Participate" means to contribute money into a pyramid promotional scheme without promoting, organizing, or operating such scheme.

(d) "Pyramid promotional scheme" means a plan or operation in which a person pays or gives consideration for the right to receive compensation that is primarily based on recruiting other

76 persons into the plan or operation rather than from the sale and  
77 consumption of products, goods, services, or intangible property  
78 by a participant or other person introduced into the plan or  
79 operation. The term includes a plan or operation in which the  
80 number of persons who may participate is limited either  
81 expressly or by the application of conditions affecting the  
82 eligibility of a person to receive compensation under the plan  
83 or operation, or a plan or operation in which a person, upon  
84 giving consideration, obtains any products, goods, services, or  
85 intangible property in addition to the right to receive  
86 compensation.

87 (2) A person may not establish, promote, operate, or  
88 participate in a pyramid promotional scheme, even if such  
89 person, upon giving consideration, obtains products, goods,  
90 services, or intangible property in addition to the right to  
91 receive compensation.

92 (3) (a) This section does not prohibit a plan or operation  
93 in which participants give consideration in return for the right  
94 to receive compensation based on the purchase of products,  
95 goods, services, or intangible property by customers or  
96 participants for personal use, consumption, or resale so long as  
97 the plan or operation:

98 1. Does not promote or induce a practice in which the plan  
99 or operation requires its independent salesperson to purchase  
100 inventory in an amount exceeding that which the salesperson can

101 expect to resell for ultimate consumption or consumption in a  
102 reasonable time period, or both; and

103 2. Implements a program in which the plan or operation  
104 repurchases from a salesperson, upon request and pursuant to  
105 commercially reasonable terms, current and marketable inventory  
106 in the possession of the salesperson which was purchased during  
107 his or her business relationship for resale. Such plan or  
108 operation must clearly describe the program in its business  
109 recruiting literature, sales manual, or contract with  
110 independent salespersons, including the disclosure of inventory  
111 that is not eligible for repurchase under the program.

112 (b) For purposes of this subsection, the term:

113 1. "Inventory" includes products, goods, and services,  
114 including company-produced promotional materials, sales aids,  
115 and sales kits that the plan or operation requires independent  
116 salespersons to purchase.

117 2. "Commercially reasonable terms" means the repurchase of  
118 current and marketable inventory within 12 months after the date  
119 of purchase at not less than 90 percent of the original net  
120 cost, less appropriate setoffs and legal claims, if any.

121 3. "Current and marketable inventory" does not include any  
122 inventory that:

123 a. Is no longer within its commercially reasonable use or  
124 shelf-life period;

125 b. Was clearly described to the salesperson before

purchase as being seasonal, discontinued, or special promotional goods, products, or services that are not subject to the inventory repurchase program; or

c. Has been used or opened.

(4) (a) A person who establishes, promotes, or operates a pyramid promotional scheme commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(b) A person who participates in a pyramid promotional scheme commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

(c) The court shall order a person convicted of violating this section to pay restitution pursuant to s. 775.089. In determining the value of the property loss, the court shall include expenses incurred in the investigation or prosecution of the offense as well as the disgorgement of any profits realized by the person.

(5) The provisions and penalties set forth in this section are in addition to any other civil, administrative, or criminal action provided by law.

**Section 3.** This act shall take effect July 1, 2026.