

CS/HB 265

2026

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

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

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

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

(1) The organization of any chain letter club, pyramid club, or other group organized or brought together under any plan or device whereby fees or dues or anything of material value to be paid or given by members thereof are to be paid or given to any other member thereof, which plan or device includes 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

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

129 c. Has been used or opened.

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

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

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

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

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