

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 Commerce and Tourism

BILL: SB 386

INTRODUCER: Senator Trumbull

SUBJECT: Farm Equipment

DATE: January 12, 2026

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Becker</u>	<u>Becker</u>	<u>AG</u>	Favorable
2.	<u>McMillan</u>	<u>McKay</u>	<u>CM</u>	Favorable
3.	_____	_____	<u>RC</u>	_____

I. Summary:

SB 386 creates a process for consumers and manufacturers to remedy defective farm equipment.

If farm equipment is defective and does not conform to all applicable express written warranties, the bill permits a consumer to report the defect to the manufacturer or its authorized service agent during the manufacturer’s warranty period or during the 1-year period following the original delivery date of the farm equipment to allow the manufacturer or its authorized agent the opportunity to conform the equipment to the warranty.

The bill requires a manufacturer to replace defective farm equipment with comparable farm equipment or accept the return of the defective equipment from the consumer and refund the consumer the purchase price and related fees if the manufacturer or its authorized dealer cannot or otherwise fails to conform the farm equipment to any applicable express written warranty. This does not limit or impair the rights or remedies which are otherwise available to a consumer under chapter 681, F.S.

The bill is effective July 1, 2026.

II. Present Situation:

Lemon Law

Section 681.10, F.S., is the Florida “Motor Vehicle Warranty Enforcement Act” (Act).¹ The intent of this Act is that a good faith motor vehicle warranty complaint by a consumer be

¹ Section 681.10, F.S.

resolved by the manufacturer² within a specified timeframe.³ Ultimately, Florida’s “lemon law” provides remedies for consumers who purchase or lease new motor vehicles with “nonconformities”⁴ that have not been corrected within a reasonable number of attempts.⁵

Nonconformity of Motor Vehicles

A manufacturer of a motor vehicle notified of a defect in the vehicle by the consumer within 24 months⁶ of the delivery of the vehicle to the consumer, must make repairs to the vehicle so that it conforms to the warranty on the vehicle.⁷ After three attempts to repair the nonconformity, the consumer must give written notice by certified or express mail to the manufacturer, allowing the manufacturer one final chance to repair the vehicle.⁸

If the manufacturer cannot repair the vehicle to conform to the warranty after this final attempt, the manufacturer, within 40 days, must either repurchase the vehicle and refund the full purchase price to the consumer, less a reasonable offset for use,⁹ or if the consumer pays a reasonable offset for use, replace the vehicle with a vehicle acceptable to the consumer.¹⁰ However, if a manufacturer establishes a procedure that the Department of Legal Affairs (DLA) certifies as complying with the informal dispute settlement procedures in the Code of Federal Regulations,¹¹ and informs the consumer about how to file a claim, the consumer must follow that procedure before he or she can either receive a refund or a replacement vehicle.¹²

In order to have such a procedure certified, the manufacturer must submit the procedure to the DLA, and the DLA must certify the procedure, notify the manufacturer of any deficiencies in the application or the procedure, or deny certification.¹³

² Section 681.102(13), F.S., defines “manufacturer” as any person, whether a resident or nonresident of Florida, who manufactures or assembles motor vehicles, or who manufactures or assembles chassis for recreational vehicles, or who manufactures or installs on previously assembled truck or recreational vehicle chassis special bodies or equipment which, when installed, forms an integral part of the motor vehicle, or a “distributor” or an “importer” as those terms are defined in s. 320.60, F.S. A “dealer” as defined in s. 320.60, F.S. may not be deemed to be a manufacturer, a distributor, or an importer.

³ Section 681.101, F.S. However, it is not the intent of the Legislature that a consumer establish the presumption of a reasonable number of attempts as to each manufacturer that provides a warranty directly to the consumer.

⁴ Section 681.102 (15), F.S., defines “nonconformity” as a defect or condition that substantially impairs the use, value, or safety of a motor vehicle, but does not include a defect or condition that results from an accident, abuse, neglect, modification, or alteration of the motor vehicle by persons other than the manufacturer or its authorized service agent.

⁵ *See id.* Section 681.104, F.S., provides that a “reasonable” number of attempts is three or more unsuccessful attempts for the same nonconformity, as well as allowing the manufacturer one final attempt after receiving written notification from the consumer by registered or express mail.

⁶ This is called the “lemon law rights period.” *See* s. 681.102(9), F.S.

⁷ Section 681.103(1), F.S.

⁸ Section 681.104(1), F.S.

⁹ Section 681.102(19), F.S., defines “reasonable offset for use” as the number of miles attributable to a consumer up to the date of a settlement agreement or arbitration hearing, whichever occurs first, multiplied by the base selling or sale price of the vehicle as reflected on the purchase invoice, exclusive of taxes, government fees, and dealer fees, or in the case of a lease, the agreed upon value as reflected in the lease agreement and divided by 120,000, except in the case of a recreational vehicle, in which event it must be divided by 60,000.

¹⁰ Section 681.104(2)(a), F.S.

¹¹ *See* 16 C.F.R. part 703. This regulation provides rules for “Informal Dispute Mechanisms” under the Magnuson-Moss Warranty Act.

¹² Section 601.108(1), F.S.

¹³ Section 681.108(2), F.S. The DLA is required to review each certified procedure annually.

If a manufacturer has a certified procedure and the consumer and manufacturer cannot reach a decision on a dispute by use of the certified procedure, within 40 days after filing, the consumer may apply to the DLA to have the dispute removed to the Florida New Motor Vehicle Board for arbitration.¹⁴ If the DLA determines that it does not have sufficient evidence to resolve the dispute after providing the consumer with an opportunity to present additional evidence, the DLA may reject arbitration. If a dispute is rejected, the DLA must, by registered mail, notify the consumer and manufacturer and provide a brief explanation.¹⁵

A violation by a manufacturer of the “lemon law,” is considered an unfair or deceptive trade practice.¹⁶ Additionally, a consumer may file an action to recover damages caused by a violation of the “lemon law,” and the court must award a consumer who prevails in such action the amount of any pecuniary loss, litigation costs, reasonable attorney’s fees, and appropriate equitable relief.¹⁷

Farm Equipment

Currently, Florida does not have a “lemon law” specific to farm equipment, however, s. 604.40, F.S., permits all power-drawn, power-driven, or self-propelled equipment used on a farm or used to transport farm products to be stored, maintained, or repaired by the owner of such equipment within the boundaries of the owner’s farm and at least 50 feet away from any public road without limitation.¹⁸

The federal Magnuson-Moss Warranty Act only covers warranties for products normally used for personal, family, or household purposes, and since most farm equipment is used in the business or occupation of farming, it is not covered under that law.¹⁹ To remedy this gap, some states, including Arkansas and South Dakota have passed lemon laws that specifically cover farm equipment.²⁰

III. Effect of Proposed Changes:

Section 1 amends s. 604.40, F.S., to provide a process for protection against defective farm equipment. The bill defines “farm equipment” to mean all power-drawn, power-driven, or self-propelled equipment used on a farm or to transport farm products.

If farm equipment is defective and does not conform to all applicable express written warranties, the bill permits a consumer to report the defect to the manufacturer or its authorized service agent during the manufacturer’s warranty period or during the 1-year period following the

¹⁴ Section 681.109(1), F.S.

¹⁵ Section 681.109(8), F.S.

¹⁶ Section 681.111, F.S.

¹⁷ Section 681.112(1), F.S. An action must be commenced within 1 year after the expiration of the lemon law rights period.

¹⁸ Section 604.40, F.S.

¹⁹ See 15 U.S.C. §§ 2301–2312.

²⁰ See Ark. Code Ann. §§ 4-96-301–308 and S.D. Cod. Laws §§ 32-6D-1 through 32-6D-9. Minnesota and Virginia have had a “lemon law” specific to farm equipment for decades. See Minn. Stat. §§ 325F.6651 through 325F.6659 and Va. Code § 59.1-207.8. The basic structure of a farm equipment lemon law is similar to a motor vehicle lemon law and requires re-purchase or replacement of the equipment if there is a nonconformity that has not been repaired within a reasonable number of attempts.

original delivery date of the equipment to the consumer to allow the manufacturer or its authorized agent the opportunity to conform the equipment to the warranty. Upon receipt of such report, the manufacturer or its authorized agent must make such repairs as are necessary to conform the equipment to the warranty at no cost to the customer.

The bill requires the manufacturer or its authorized agent to replace the farm equipment with comparable farm equipment, or accept the return of the defective equipment from the consumer and refund the consumer the cash purchase price, including sales tax, license fees, registration fees, and any similar governmental charges if the manufacturer or its authorized dealer is not able to or otherwise fails to conform the farm equipment to any applicable express written warranty after a reasonable number of attempts.

It is presumed that the manufacturer has made a reasonable number of attempts to conform the farm equipment to the applicable express warranties if the same nonconformity has been the subject of repair three or more times by the manufacturer or its authorized agent, but the nonconformity continues to exist. This presumption only applies when the manufacturer or its authorized agent has received prior direct written notification from or on behalf of the consumer and has been offered an opportunity to cure the alleged defect.

The bill provides that it is an affirmative defense to any claim under ch. 604, F.S., that an alleged nonconformity does not substantially impair the farm equipment's use and market value, or a nonconformity is the result of abuse or neglect, or of modifications or alterations of the farm equipment not authorized by the manufacturer.

The bill does not limit or impair the rights or remedies which are otherwise available to a consumer under ch. 681, F.S. Further, any consumer who suffers a loss by reason of a violation of ch. 604, F.S., may bring a civil action to enforce such provision.

Section 2 provides that the 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:

Florida's contracts clause states that "no bill of attainder, ex post facto law or law impairing the obligation of contracts shall be passed."²¹ Regarding the impairment of an existing contract by the retroactive application of a statute, the Florida Supreme Court recently said:

"[V]irtually no degree of contract impairment is tolerable." However, we also recognized that the holding that "virtually" no impairment is tolerable "necessarily implies that some impairment is tolerable." The question thus becomes how much impairment is tolerable and how to determine that amount. To answer that question, in *Pomponio* we proposed a balancing test that "allow[ed] the court to consider the actual effect of the provision on the contract and to balance a party's interest in not having the contract impaired against the State's source of authority and the evil sought to be remedied." "[T]his becomes a balancing process to determine whether the nature and extent of the impairment is constitutionally tolerable in light of the importance of the State's objective, or whether it unreasonably intrudes into the parties' bargain to a degree greater than is necessary to achieve that objective."

An impairment may be constitutional if it is reasonable and necessary to serve an important public purpose. However, where the impairment is severe, "[t]he severity of the impairment is said to increase the level of scrutiny to which the legislation will be subjected." There must be a "significant and legitimate public purpose behind the regulation."²²

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Florida consumers will have a process to remedy defective farm equipment.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

²¹ FLA. CONST. art. I, s. 10.

²² *Searcy, Denney, Scarola, Barnhart & Shipley, etc. v. State*, 209 So. 3d 1181, 1192 (Fla. 2017).

VII. Related Issues:

For clarity, the bill may need to define certain terms.

VIII. Statutes Affected:

This bill substantially amends section 604.40 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

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

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
