

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 838

INTRODUCER: Senator Yarborough

SUBJECT: Electronic Payments of Retail Installment Contracts

DATE: January 12, 2026

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Renner	McKay	CM	Pre-meeting
2.			BI	
3.			RC	

I. Summary:

SB 838 creates s. 520.105, F.S., authorizing a holder of a retail installment contract (or its agent) to collect a fee for processing a retail buyer's electronic payment, under the Florida Motor Vehicle Retail Sales Finance Act, if all the following conditions are met:

- The fee is reasonably related to the expense incurred in processing the electronic payment.
- The buyer has the option to make payments by another method without a fee (e.g., check, cash, money order).
- The holder or agent discloses the fee amount, does not establish electronic payment as the expected form of payment, and states that alternative no-fee payment methods are available.

The bill takes effect July 1, 2026.

II. Present Situation:

Office of Financial Regulation

The Office of Financial Regulation (OFR) is the regulatory authority for Florida's financial services industry. The OFR enforces and administers the Financial Institutions Codes; supervises banks, credit unions, savings associations, and international bank agencies; and licenses and regulates non-depository finance companies and the securities industry.¹ The OFR reports to the Financial Services Commission (the Commission), which comprises the Governor and the members of the Florida Cabinet: the Chief Financial Officer, Attorney General, and Agriculture Commissioner.²

¹ Section 20.121(3)(a)2., F.S.

² Section 20.121(3), F.S.

Florida Motor Vehicle Retail Sales Finance Act

The Florida Motor Vehicle Retail Sales Finance Act³ regulates sellers,⁴ commonly referred to as auto dealers, who enter into retail installment contracts with buyers⁵ for the purchase or lease of a motor vehicle. A "retail installment contract" is an agreement made in Florida under which the seller retains title to, or a lien on, a motor vehicle involved in a retail installment transaction as security for the buyer's obligation, either in whole or in part. This includes conditional sales contracts and contracts for the leasing or bailment of a motor vehicle, in which the lessee or bailee agrees to pay compensation that is significantly equal to or greater than the vehicle's value. Additionally, it stipulates that the lessee or bailee becomes the owner of the motor vehicle upon full compliance with the contract terms.⁶

Except for certain businesses, such as banks and trust companies, sellers must obtain a license to operate in Florida.⁷ A seller must submit an application, specified information, and a nonrefundable fee to the OFR to obtain the required license.⁸

Retail installment contracts must comply with several requirements and prohibitions, including, but not limited to, the contract must:

- Be in writing;⁹
- Contain a "Notice to the Buyer" which includes specified information;¹⁰ and
- Contain other specified information, including the amount financed, finance charges, total amount of payments, total sale price, and payment details.¹¹

The Florida Motor Vehicle Retail Sales Finance Act does not authorize a seller to charge a fee specifically for processing electronic payments on motor vehicle retail installment contracts.

III. Effect of Proposed Changes:

SB 838 creates s. 520.105, F.S., to authorize a retail installment contract holder (or its agent) to collect a fee for processing an electronic payment only if the following conditions are met:

- The fee is reasonably related to the actual expense incurred by the holder or its agent in processing the electronic payment;
- The holder or its agent allows the buyer to make a payment by a method other than an electronic payment, which does not incur a fee;

³ Sections 520.01-520.10, 520.12, 520.125, and 520.13, F.S.

⁴ Section 520.02(11), F.S., defines "motor vehicle retail installment seller" as a person engaged in the business of selling motor vehicles to retail buyers in retail installment transactions.

⁵ Section 520.02(16), F.S., defines "retail buyer" as a person who buys a motor vehicle from a seller not principally for resale, and who executes a retail installment contract in connection therewith or a person who succeeds to the rights and obligations of such person.

⁶ Section 520.02(17), F.S.

⁷ Section 520.03(1), F.S.

⁸ Section 520.03(2), F.S.

⁹ Section 520.07(1)(a), F.S.

¹⁰ Section 520.07(1)(b), F.S.

¹¹ Section 520.07(2), F.S.

- The holder or its agent does not establish electronic payment as the expected or required form of payment; and
- The holder or agent discloses, before the buyer agrees to make an electronic payment, the amount of the fee and the buyer's option to use a fee-free alternative payment method such as a check, cash, or money order.

The bill defines the term "electronic payment" to include credit cards, debit cards, electronic funds transfers, electronic checks, and other electronic methods.

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:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill may affect consumers and businesses that use retail installment contracts by allowing fee-based electronic payment processing under certain conditions. Consumers may benefit from clear disclosure of electronic payment fees and the availability of fee-free alternative payment methods. Businesses may incur compliance costs associated with fee disclosures.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 520.105 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.