

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** PCB BPRS 14-01 Department of Agriculture and Consumer Services

**SPONSOR(S):** Business & Professional Regulation Subcommittee

**TIED BILLS:** **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Business & Professional Regulation Subcommittee		Butler	Luczynski

### SUMMARY ANALYSIS

The bill contains modifications to several licensing and consumer services activities under the jurisdiction of the Florida Department of Agriculture and Consumer Services (DACs).

#### Within the Division of Licensing the bill:

- Removes the requirement of a written note when a legible set of fingerprints cannot be obtained after two unsuccessful attempts by the Federal Bureau of Investigation or the Florida Department of Law Enforcement before DACs may proceed with a name based criminal history check;
- Clarifies the proper timing requirements for licensing and recertification of Class "G" statewide firearms licensees;
- Allows licensed Class "G" licensed security officers to carry .40 caliber and .45 caliber automatic colt pistol (ACP) handguns while on duty;
- Allows security officers performing bodyguard or executive protection services in plainclothes to carry their firearm concealed while on-duty;
- Allows DACs to publish notice in Leon County and on their website when serving an administrative complaint on a concealed weapons licensee after personal service is ineffective and the address for the license is outside of Florida;
- Grants the Bureau of License Issuance within the Division of Licensing access to sealed criminal histories for applicants of a concealed weapon license to determine eligibility.

#### Within the Division of Consumer Services the bill:

- Unifies the security bond requirements of Health Studios, Telemarketers, Pawnbrokers, and Sellers of Travel to provide more efficient administration of DACs several bond security programs, and authorizes DACs to recover legal fees if a surety refuses a lawful demand for payment;
- Repeals DACs regulations on Commercial Weight-Loss Practices and Dance Studios;
- Redefines "telephone solicitor" to include solicitors making outbound calls to solicit charitable donations;
- Defines "novelty payment methods," which are payment methods that do not provide systematic monitoring and fraud protections for consumers, and forbids telemarketers from accepting "novelty payment methods" as a form of payment to protect consumers;
- Amends brake fluid and antifreeze registrations to expire one year after registration to distribute renewals throughout the year, instead of all registrations expiring on June 30 of each year;
- Requires DACs to enact quality and labeling standards by rule for motor oils;
- Clarifies statutory inconsistencies in DACs inspection authority relating to gasoline and oil inspections;
- Clarifies that DACs approved scales must be used in all pawnbroker transactions involving the weighing of precious metals, and increases penalties for noncompliance.

The bill is not anticipated to have a significant fiscal impact on state funds and no impact on local government. The bill has an effective date of July 1, 2014.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

The mission of the Florida Department of Agriculture and Consumer Services (DACS or Department) is to safeguard the public and support Florida's agricultural economy by:

- Ensuring the safety and wholesomeness of food and other consumer products through inspection and testing programs;
- Protecting consumers from unfair and deceptive business practices and providing consumer information;
- Assisting Florida's farmers and agricultural industries with the production and promotion of agricultural products; and
- Conserving and protecting the state's agricultural and natural resources by reducing wildfires, promoting environmentally safe agricultural practices, and managing public lands.

The bill includes modifications to several regulatory and consumer activities under the jurisdiction of DACS and, specifically, the Division of Consumer Services and Division of Licensing. See below, each proposed change is divided by subject, and each subject is followed by a listing of the applicable sections of the bill.

#### B. SECTION DIRECTORY:

The following includes the Current Situation and Effect of the Bill.

#### Division of Licensing

Private Investigative, Private Security, and Repossession Services, Chapter 493, F.S. Chapter 493, F.S., governs Private Investigators, Private Security, and Repossession Services within Florida, and DACS licenses both the industry and individuals operating within the state. DACS regulates many facets of the private security industry, and the amendments clarify language related to DACS's regulatory function.

*Application for Private Investigation, Private Security, or Repossession License, Section 493.6108, F.S.*

Currently, when an applicant applies for any license issued by DACS pursuant to ch. 493, F.S., the applicant must submit a legible set of fingerprints that DACS uses as part of the applicant's criminal history check. When an applicant cannot supply a legible set of fingerprints after multiple attempts, DACS performs a name-based criminal history check.

In order for the Department to proceed with a name-based check, a written statement from a fingerprint technician or a licensed physician affirming that the fingerprints are the best that could be provided or that a physical condition prevents submission of a legible set of prints must be supplied by the applicant.

This bill would strike the requirement that an applicant submit a written statement signed by a fingerprint technician or a licensed physician, if an applicant is unsuccessful in providing legible fingerprints. The written statement did not provide the Department with any additional pertinent information toward issuing a license and delayed the approval process.<sup>1</sup>

This bill would allow the Department to immediately begin a name based criminal history record check after two unsuccessful attempts to obtain legible fingerprints.

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<sup>1</sup> Florida Department of Agriculture and Consumer Services, Agency Analysis of Proposed 2014 Department Bill, p. 2 (Oct. 18, 2013) (on file with the Business & Professional Regulation Subcommittee).

**Section 1** amends s. 493.6108, F.S.

*Security Officers Firearm Recertification, Section 493.6113, F.S.*

HB 7023 (2013)<sup>2</sup> amended the statutory provisions providing for submission of proof of firearms recertification training. After the implementation of HB 7023, members of the security industry informed DACS that the language as written has created confusion of exactly when this recertification training must be completed and submitted.<sup>3</sup> Security officers are unsure of exactly when the firearms recertification training must take place, and when it must be delivered to DACS.

The bill amends s. 493.6113, F.S., and clarifies that a Class “G” licensee must complete 28 hours of training before they are initially licensed by DACS. After initial licensure, if a licensee fails to complete and submit 4 hours of firearm recertification before the end of each year of the license, the license will be suspended. Before a suspended license may be reinstated, the licensee must re-complete 28 hours of training, similar to the amount required before licensure.

This section of the bill makes no substantive changes. The amending language should clarify the original changes of last year’s bill to better inform the security industry and Class “G” license holders of their responsibilities.

**Section 2** amends s. 493.6113, F.S.

*Security Officers, Caliber of Firearms, Section 493.6115, F.S.*

Class “G” statewide firearm licensees are currently authorized to carry a .38 caliber revolver, .38 or 9mm semiautomatic pistol, or a .357 caliber revolver with .38 caliber ammunition while performing their duties.<sup>4</sup>

A number of security agencies have requested and been granted waivers to allow them to carry a .40 caliber handgun or a .45 caliber automatic colt pistol (ACP) handgun. The Department has granted 74 such waivers for security agencies guarding critical infrastructure, such as deep-water ports and power plants.<sup>5</sup> In at least one case, the waiver request listed the primary reason for the waiver request was because all law enforcement in the area carried .40 caliber semi-automatic pistols, and interchangeability of ammunition could be crucial in an emergency situation.<sup>6</sup>

This bill increases the caliber of handguns that security officers licensed under ch. 493, F.S., may use while performing their duties to include .40 caliber and .45 caliber ACP handguns. The currently authorized caliber pistols were the standard among law enforcement agencies, but in the past 10-15 years many agencies have moved to either .40 caliber or .45 caliber ACP handguns.<sup>7</sup>

The bill brings the caliber of firearms used by security officers licensed to carry firearms by the Department into alignment with the type and caliber of firearms currently considered standard and generally carried by law enforcement agencies statewide.

**Section 3** amends s. 493.6115, F.S.

*Security Officer Uniforms, Section 493.6305, F.S.*

Section 493.6305, F.S., governs uniforms worn by security officers. Security officers currently may carry their firearm concealed while wearing plainclothes only when performing limited or temporary,

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<sup>2</sup> Chapter 2013-251, Laws of Fla.

<sup>3</sup> *Id.* at 3.

<sup>4</sup> Section 493.6115(6), F.S.

<sup>5</sup> Florida Department of Agriculture and Consumer Services, Agency Analysis of Proposed 2014 Department Bill, p. 3 (Oct. 18, 2013) (on file with the Business & Professional Regulation Subcommittee).

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

special assignment duties. In practice, security officers may be required to be as incognito as possible during certain assignments, such as when performing bodyguard or executive protection services, and the current law would not allow a security officer to carry their firearm concealed, while wearing plainclothes, during these assignments.

To perform bodyguard and executive protection services in plainclothes currently, either a security officer must not carry their firearm concealed, or he or she must obtain a separate private investigator license in order to carry a concealed weapon while on duty. This additional license may not be desirable or obtainable by all current security officers due to experience requirements, and decreases employment opportunities for Class "D" security officers with a Class "G" statewide firearm license.

The bill will allow Class "D" security officers who also hold a Class "G" statewide firearms license to carry a concealed firearm while performing bodyguard or executive protection duties. The amendments will alleviate the requirement to obtain a separate private investigative license for security officers who only seek to provide bodyguard services.

**Section 4** amends s. 493.6305, F.S.

#### Concealed Weapon License, Chapters 570 and 943, F.S.

*Service of Process for an Administrative Complaint Regarding a Concealed Weapon License, Section 570.07, F.S.*

In 2012, s. 120.60(5) was amended to remove the requirement that should an agency attempting to revoke or withdraw a license, or enter a final order and personal service is ineffective, the agency shall publish notice in a newspaper of general circulation in Leon County if the individual has an address in some other state than this state or a foreign jurisdiction. This previous amendment was intended to remove a requirement of law and lower agency expenditures on publication by not requiring publication in Leon County. Because DACS has no alternative statutory guidance to provide reasonable notice, the Division of Licensing's publication costs have risen as a result.

Currently, for the revocation or withdrawal of a license, s. 120.60(5), F.S., requires either personal service or service through certified mail. If this service is ineffective, or the certified letter is returned undeliverable, the agency must publish notice in a newspaper published in the county of the licensee's last known address, or in a newspaper of general publication in the county that the licensee current resides.

DACS was able to reduce its cost of publication when publishing notice in Leon County for out of state licensees. Following last year's amendments, DACS, and specifically the Division of Licensing, is now required to research and locate an out of state newspaper that fits the legislative requirements and contract with that paper to publish their notice.

The amendment of s. 120.60(5), F.S., has increased DACS's publication costs to \$223,000 in fiscal year 2012-2013.<sup>8</sup> This represents an increase of \$185,000 from the publication costs of 2011-2012 of \$38,000.<sup>9</sup> DACS also has spent considerable efforts to locate cost efficient publications throughout the United States that also adhere to statutory guidance of s. 120.60(5), F.S.

The bill amends s. 570.07, F.S., allowing the Division of Licensing to attempt service of administrative complaints through regular mail and e-mail, in addition to certified mail, and to call the licensee's filed phone number, if available. If those methods of service prove ineffective, the bill would allow the Division to publish notice in Leon County for out-of-state addresses and must additionally publish notice on the front page of the DACS website. These provisions will meet the constitutional and statutorily

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<sup>8</sup> Florida Department of Agriculture and Consumer Services, Agency Analysis of Proposed 2014 Department Bill, p. 2 (Oct. 18, 2013) (on file with the Business & Professional Regulation Subcommittee).

<sup>9</sup> *Id.*

mandated requirements to afford a licensee reasonable notice and should greatly reduce the publication costs expended by the Division of Licensing.

**Section 18** amends s. 570.07, F.S.

*Access to Sealed Court Records for Concealed Weapon License Applications, Section 943.059, F.S.*

To purchase a firearm in Florida, a person must be at least 18 years old, not be a convicted felon, have no history of mental illness, and no history of drug or alcohol abuse. When visiting a licensed firearms dealer to purchase a gun, a person is required to fill out a form prepared by the Florida Department of Law Enforcement (FDLE) and submit to a criminal background check, as per s. 790.065, F.S. In addition to submitting to a criminal history check, when purchasing a handgun, a person must wait 72 hours before taking possession of the handgun, unless the purchaser is trading in a handgun he or she currently owns.

If a person holds a concealed weapon license, issued by the Division of Licensing within DACS pursuant to s. 790.06, F.S., when purchasing a firearm from a licensed dealer, the dealer is not required to perform the FDLE criminal history check, and when purchasing a handgun there is no 72 hour waiting period before a purchaser may take possession.

When the Division of Licensing is examining an applicant for a concealed weapon license, the Division may reject an application if the applicant has a disqualifying criminal record. Commission of a felony pursuant to ss. 790.23 and 790.065(2)(a)(1), F.S., disqualifies a person from purchasing a firearm, regardless of whether that felony is sealed or unsealed.

Section 943.059(4)(a)(7), F.S., allows FDLE to open a sealed criminal history to determine the purchaser's eligibility during his or her criminal history check. Currently, the Division of Licensing may not open a sealed criminal history during the criminal history check to determine the eligibility of a person to obtain a concealed weapon license.

The language of s. 943.059(4), F.S., currently does not include an exemption for the Division of Licensing allowing it to consider sealed criminal history information during the criminal history check pursuant to s. 709.06, F.S., when determining a purchaser's eligibility to obtain a concealed weapon license. This has created a situation where a person may be able to obtain a concealed weapon license, despite having a disqualifying criminal record because the Division of Licensing cannot consider the contents of a sealed criminal history. Thus, this inconsistency could allow a person with a disqualifying criminal record in a sealed criminal history to obtain a concealed weapon license and to purchase a firearm from a licensed dealer.

This bill corrects the inconsistency that exists between when a person is purchasing a firearm from a licensed dealer and his or her criminal records may be unsealed for FDLE, and when a person is applying for a concealed weapon license and his or her criminal records may not be unsealed for the Division of Licensing.

This bill revises s. 943.059, F.S., to include the Bureau of License Issuance within the Division of Licensing in the list of agencies that may open a sealed criminal history for the purposes of determining eligibility of an applicant for a concealed weapon license, under s. 709.06 F.S.

**Section 19** amends s. 943.059, F.S.

### **Division of Consumer Services**

**Bond Security Requirements of Health Studios, Telemarketers, Pawnbrokers and Sellers of Travel, Chapters 501, 539 and 559, F.S.**

The Division of Consumer Services regulates several industries that have a security bond requirement. The businesses are required to keep a bond, or other form of security, on file with the Department as a form of security to satisfy possible consumer complaints.

The bill contains several revisions to the existing bond security requirements of Health Studios, Telemarketers, Pawnbrokers, and Sellers of Travel. The revisions are mostly technical in nature, with a few substantive changes, to unify the requirements of the Department and each industry to be as similar as possible. Each section was initially enacted separately and created inconsistencies in the administration of the bond programs.

The bill amends the language in several sections to:

- Require bond maintenance in accordance with the Department's regulations;
- Clarify that liability for injuries against the bond may be determined either by administrative proceeding by the Department or through a civil action in a court of competent jurisdiction;
- Clarify that claims against the bond may only be paid by order of the Department in an administrative proceeding;
- Clarify the timing of when a claim for an injury must be made;
- Allow the Department to recover legal fees should the surety fail to comply with a lawful demand of the Department for payment.

The amendments will permit the Department to administer its several bond security programs more efficiently and reliably.

**Section 5** amends s. 501.016, F.S., (relating to Health Studios), **Section 9** amends s. 501.611, F.S. (relating to Telemarketers), **Section 16** amends 539.001, F.S. (relating to Pawnbrokers), and **Section 17** amends s. 559.929, F.S., (relating to Sellers of Travel).

#### Repeal of Commercial Weight-Loss Practices and Dance Studios Acts, Chapter 501, F.S.

##### *Repeal of the Commercial Weight-Loss Practices Act, Sections 501.057 – 501.0583, F.S.*

Sections 501.057, 501.0571, 501.0573, 501.0575, 501.0577, 501.0579, 501.0581, and 501.0583, F.S., are the Commercial Weight-Loss Practices Act which regulates weight-loss providers. The Act requires providers to give customers and prospective customers written itemized statements on the fixed and estimated costs of the programs, provide a copy of the "Weight-Loss Consumer Bill of Rights", and to disclose information about the program and provider.

DACS has not received any complaints related to this act in recent years and has no nexus with the industry.<sup>10</sup> The Department's regulations cover some administrative aspects of the providers business, but the majority of the regulation for this industry is under the jurisdiction of the Agency for Health Care Administration (AHCA). AHCA regulates dietitian and nutritionist practices of businesses in Florida, including those provided by the commercial weight-loss industry.

This bill repeals the Commercial Weight-Loss Practices Act which DACS has determined no longer serves an appropriate regulatory purpose.

**Section 6** repeals ss. 501.057, 501.0571, 501.0573, 501.0575, 50.0577, 501.0579, 501.0581, and 501.0583, F.S.

##### *Repeal of the Dance Studio Act, Section 501.143, F.S.*

The Dance Studio Act, s. 501.143, F.S., requires each ballroom dance studio owner to register with the Department and post a security bond with the Department if the studio requires installment contracts or advance payment greater than \$250. The Department has the authority to collect registration fees and impose penalties for non-compliance.

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<sup>10</sup> Florida Department of Agriculture and Consumer Services, Agency Analysis of Proposed 2014 Department Bill p. 4 (Oct. 18, 2013) (on file with the Business & Professional Regulation Subcommittee).

Ballroom dance studios are currently the only studios regulated by DACS. During the last three fiscal years, the Department has received 23 complaints and resolved them to recover \$23,025 for consumers.<sup>11</sup> This recovery was made under the Department's authority to conduct informal mediation, and not through the bond security program. There has not been a bond payout during the last three years.

The bill repeals s. 501.143, F.S., removing the requirement for ballroom dance studios to register with the Department. This repeal completely deregulates the industry in Florida. DACS will continue to handle complaints through its non-regulated complaint and mediation section.

**Section 6** repeals s. 501.143, F.S.

#### Telephone Solicitors and Telemarketers, Chapter 501, F.S.

##### *Telephone Solicitors, Section 501.059, F.S.*

Section 501.059, F.S., was amended last year to require telephone solicitors not initiate an outbound call to a consumer who has previously communicated he or she did not want to be called for charitable donations. However, the term "telephone solicitor", which is the party that is restricted from making outbound calls including those calls for charitable solicitations, is currently not defined to include a solicitor who makes only outbound calls for the purpose of charitable solicitations.

The bill amends the definition of "telephone solicitor" to clarify that a "telephone solicitor" includes those persons seeking charitable contributions on behalf of a charitable organization. This change should help to prevent these charitable organizations from evading Florida's Do Not Call requirements.

**Section 7** amends s. 501.059, F.S.

##### *Outlawing Telemarketers Using Novelty Payment Methods, Section 501.603, F.S.*

Traditionally, consumers have used several types of payment methods when purchasing items either over the phone from telemarketers, or online. The conventional payment methods include credit and debit cards, or other electronic fund transfer methods that use banks or other networks that systematically monitor transactions to detect fraud.

Novelty payment methods are payment methods that do not have these types of systematic monitoring and includes methods such as remotely created checks, remotely created payment orders, cash-to-cash money transfers (such as Western Union) and cash reload mechanisms (such as MoneyPak or ReloadIt). Novelty payment methods are not systematically monitored, have little to no consumer protection in the case of fraud or theft, and are used frequently in scams and other fraudulent activity.

The Federal Trade Commission (FTC) has found that "unscrupulous telemarketers rely on these payment methods because they are largely unmonitored and provide consumers with fewer protections against fraud."<sup>12</sup> The FTC's notice of proposed rulemaking cites that these changes are required to strengthen the FTC's Telemarketing Sales Rule protections, and prevent deceptive telemarketing from harming unaware consumers.<sup>13</sup>

This bill will ban such novelty payment methods as they are used today in telemarketing. Additionally, the bill will give the Department rulemaking authority to define new and developing novelty payment methods and to proactively limit or ban them to protect consumers. These changes will reinforce and compliment the FTC's proposed protections, and further protect consumers in Florida.

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<sup>11</sup> *Id.* at 5.

<sup>12</sup> Press Release, Federal Trade Commission, FTC Seeks Public Comment on Proposal to Ban Payment Methods Favored in Fraudulent Telemarketing Transactions (May 21, 2013) (*available at* <http://www.ftc.gov/news-events/press-releases/2013/05/ftc-seeks-public-comment-proposal-ban-payment-methods-favored>) (last visited Jan. 24, 2014).

<sup>13</sup> *Id.*

**Section 8** amends ss. 501.603, F.S., and **Section 10** amends s. 501.616, F.S.

Labeling and Registration Requirements for Motor Vehicle Products, Chapters 501, 525 and 526, F.S.

*Registration Requirements for Antifreeze and Brake Fluid, Chapters 501 and 526, F.S.*

Currently the Division of Consumer Services requires several products that are distributed within Florida to be registered with the Division before they may be sold to the public. This registration must meet guidelines established by statute and conform to the requirements of the Division of Consumer Services. Two such products that are regulated by the Division are antifreeze under s. 501.913, F.S., and brake fluid under ss. 526.50 and 526.51, F.S.

Under s. 501.913, F.S., each brand of antifreeze that is distributed within Florida must be registered with the Department no later than July 1 of each year. The registration expires each year on June 30. Section 120.60, F.S., requires an application for registration to be approved or denied within 90 days after receipt of a complete application. According to the Department's analysis, during Fiscal Year 2010-2011, applications have risen 15 percent, and the Bureau of Standards who handles these applications has had their staff reduced in size.<sup>14</sup>

Brake fluid registrations, pursuant to ss. 526.50 and 526.51, F.S., expire each year on June 30. The Department has noticed a similar upward trend in application submissions, with 30 percent more applications filed during Fiscal Year 2010-2011 than during the previous year.<sup>15</sup>

The requirements of these sections create work flow inefficiency, as the Department must process a large amount of applications during the same time of year, instead of distributing applications throughout the year. The Department has requested the statutory requirements allow registration during any time of the year, and for that registration to expire after one year.

The Department believes that distributing the application cycles throughout the year would help to more efficiently address the increasing workload of these two registrations with existing staff.

The bill amend ss. 501.913, 526.50, and 526.51, F.S., to allow registrations of antifreeze and brake fluid to expire one year from the date the registration is issued, instead of on June 30 of each year. New applicants would further have the benefit of a full year of registration before having to renew as the Department does not have a provision for pro-rating the registration fee for new applicants for registrations received after July 1.

**Section 11** amends s. 501.913, F.S., (relating to antifreeze), and **Sections 14 and 15** amend ss. 526.50 and 526.51, F.S. (relating to brake fluid).

*Labeling Requirements for Liquid Fuel, Lubricating Oil, and Greases, Section 526.015, F.S.*

Under Chapter 526, F.S., a person is precluded from storing, selling, offering, or exposing for sale any liquid fuels, lubricating oils, greases, or other similar products in any manner whatsoever which may deceive the purchaser as to the nature, quality, or quantity of the products offered for sale. A previously used product that has been reclaimed, recleaned, or reconditioned is required to be clearly labeled as such. Any product that does not meet these labeling requirements as provided in ch. 526, F.S., is declared illegal, and shall be placed under a written stop-sale order.

The Society of Automotive Engineers (SAE) establishes national labeling and quality standards for liquid fuel, lubricating oil, and grease; however, the Department lacks statutory authority to implement rules to include these or other standards the Department believes are necessary to protect the public.

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<sup>14</sup> Florida Department of Agriculture and Consumer Services, Agency Analysis of Proposed 2014 Department Bill p. 6 (Oct. 18, 2013) (on file with the Business & Professional Regulation Subcommittee).

<sup>15</sup> *Id.* at 6-7.



This bill requires motor oil products to meet labeling and quality standards established by rule of the Department before being sold in this state.

**Section 13** creates s. 526.015, F.S.

*Inspection Authority of the Department for Gasoline and Oil, Section 525.16, F.S.*

DACS regularly conducts inspections of petroleum distribution systems and analyzes samples to protect consumers. When a violation is found, the Department will issue a stop-sale order to prevent substandard petroleum from effecting consumers. The Department issued 516 stop-sale orders during the 2010-2011 Fiscal Year.<sup>16</sup>

The Department also regularly conducts inspections of the 9,025 retail facilities in Florida. In Fiscal Year 2010-2011, DACS issued citations for 4,946 improper calibration violations and 66,321 poorly maintained pump violations.<sup>17</sup> DACS also investigated 3,306 petroleum-related and pricing consumer complaints received through their consumer hotline phone number from the Department's inspection decal on petroleum dispensers.<sup>18</sup>

Section 525.16(1)(a), F.S., uses the terms "violation" and "offender" when determining penalties for first and successive violations by offenders. Section 525.16(1)(b), F.S., uses the term "stop-sale order" in conjunction with "violation" for determining when three years have elapsed, with no new violation, for purposes of considering a person a first-time offender for imposition of penalties.

The bill amends s. 525.16(1)(b), F.S., removing the words "stop-sale order" to clarify that persons who commit a violation after a three year period with no new violations are treated as a first-time offender for imposition of penalties.

**Section 12** amends s. 525.16, F.S.

Weights and Measures Used by Pawnbrokers, Section 539.001, F.S.

Pawnbrokers must be licensed by the Department annually and must maintain a net worth of at least \$50,000 or file security with the Department. This security may be filed in the form of a bond, a letter of credit, or a certificate of deposit in an amount of \$10,000 with DACS. The Department is authorized to collect licensing fees and impose penalties for non-compliance with the law.

When buying and selling precious metals by weight a pawnbroker must use a properly permitted scale, as defined in s. 531.60, F.S. When a precious metal is only being pawned though, several pawnbrokers have interpreted the current requirement as only a "descriptor", and because there is no buying or selling of the precious metal, the weight is not being recorded for "commercial purposes."

This ambiguity, and no explicit requirement that pawnbrokers use such a scale in s. 539.001, F.S., for all transactions that involve the weighing of a precious metal, has prevented Department enforcement when a minority of pawnbrokers use unpermitted scales for transactions involving the weight of a precious metal.

The bill amends s. 539.001, F.S., to clarify that all pawnbrokers must use a Department permitted scale, as described in ch. 531, F.S., in every transaction that involves the weighing of a precious metal. Further, this bill increases penalties for violation.

**Section 16** amends s. 539.001, F.S.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

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<sup>16</sup> *Id.* at 7.

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Pawnbroker: Weights and Measures, s. 539.001, F.S.: The Department estimates there are less than a dozen pawnbrokers who are currently not using permitted scales. These pawnbrokers will incur an annual permit fee. The annual permit fee for one to five retail scales, with 0 to 100 pounds capacity, at one location is \$40.<sup>19</sup>

D. FISCAL COMMENTS:

None.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Novelty Payment Method Rulemaking Authority – The bill provides rulemaking authority to further define novelty payment methods, should new types emerge following the restrictions placed on the currently defined methods.

Motor Oil Guidance – The bill requires the Department establish by rule guidelines and standards required in the labeling of motor oil offered for sale in the State.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Weights and Measures Used by Pawnbrokers, Section 539.001, F.S.:

The current amendments are partially dependent on other amendments in s. 570.400, F.S., to be done in a separate bill. The language here provides sufficient independent authority; however, should that bill not pass the Legislature or be approved by the Governor, such that this bill may be enacted without being dependent upon the other bill.

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<sup>19</sup> Section 531.62, F.S.; Rule 5F-5.002, F.A.C.

#### IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES