

# Legislative Update

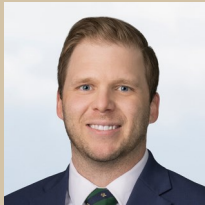
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The 2024 Legislative Session saw the passage of several bills which will affect the construction industry. Below are some of the highlights:

## Mandatory Home Construction Warranties and Warranty Transfers

Section 553.837, Florida Statutes, effective July 1, 2025, mandates that builders of newly constructed homes in Florida provide a one-year warranty to homebuyers. The warranty covers equipment, material, or workmanship defects resulting in a material violation of Florida Building Code, effective upon closing or initial occupancy, whichever occurs first. Builders must address any qualifying defects reported by homeowners within the first year. This new requirement strengthens consumer protections by ensuring homeowners are guaranteed a baseline warranty, regardless of any express warranty the builder might offer. Builders already providing express warranties may face administrative burdens managing warranty transfers and must review and potentially adjust their existing terms to ensure compliance with the new law but can benefit from enhanced buyer trust and market appeal.

## Building Construction Regulations and System Warranties

Amendments to section 559.956, Florida Statutes, effective July 1, 2024, prohibit conditioning an HVAC system warranty upon product registration for residential properties sold on or after July 1, 2024. Newly enacted section 559.957, Florida Statutes, effective July 1, 2024, mandates that the full length of an HVAC system warranty begins on the installation date if installed by a licensed contractor. Manufacturers, distributors, or retailers offering warranties or product registration forms must clearly state that registration is optional and not required to maintain warranty rights or coverage duration. Together these statutes ensure consumers retain full warranty benefits for the life of the warranty regardless of whether they complete registration.

## Unsolicited Proposals for Public-private Partnerships

On March 4, 2024, the Florida Legislature approved HB 781, amending procurement procedures for public-private-partnerships ("P3 Projects") as outlined in § 255.065, Florida Statutes.

Beginning on July 1, 2024, where a responsible public entity receives an unsolicited proposal for a P3 Project, the requirement that such public entity publish notice of its intent to accept other proposals for the same project has been abolished.

In lieu of the requirement that P3 Projects be opened to public bidding on unsolicited proposals, public entities will now be able to proceed with unsolicited proposals for qualifying projects so long as such public entities hold duly noticed public meetings where the proposal is presented, public commentary is allowed, and the public entity determines the proposal is in the public's interest.

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### **Public Works Projects**

HB 705 and its companion SB 742 modify the definition of “public works projects” in § 255.0992, F.S., to add “local or” for public works projects funded with local dollars. This will prevent local governments from excluding certain contractors from the bidding process, imposing wage and employment conditions on contractors, or mandating specific hiring and training protocols.

HB 705 was amended to allow for local preference only if the public works project is solely financed by local dollars by the local government. It was also amended to provide an exception for the provision of goods, services or work incidental to the public works project, such as security services, janitorial services, landscaping and maintenance services, transportation services—anything that does not require a construction contracting license or involve supplying or carrying construction materials for a public works project.

### **Workplace Heat Illness & Injury Preemption**

HB 433 preempts the regulation of heat illness & injury policies for workers to the State to keep local governments from enacting their own policies that may be duplicative or in conflict with OSHA requirements. The bill also prohibits local governments from giving preference in competitive solicitations based on an employer’s heat exposure requirements. HB 433 became a political football on the last two days of Session but ultimately passed with limited provisions related to preemption of local wage and employee benefits ordinances beginning in 2026 when the minimum wage increases to \$15 an hour. It also prohibits local governments from using evaluation factors, qualification of bidders, or otherwise awarding preferences based on wages or employee benefits.

### **Continuing Contracts**

The bill increases the maximum cost for each individual project procured pursuant to the Consultant’s Competitive Negotiation Act (CCNA) from \$4 million to \$7.5 million, plus an annual increase based on the consumer price index (CPI). This limitation applies to projects procured under the CCNA by the state, counties, municipalities, school districts, special districts, and other political subdivisions. The Department of Management Services must annually adjust and publish the annual change to the individual project maximum cost limit based on the June-to-June CPI.

### **Tolling of the Repose Period**

Before the 2024 legislative session, section 718.124, Florida Statutes tolled the statute of limitations (but not the statute of repose) for construction defect actions until majority unit owner control of the board. *Sabal Chase Homeowners Ass’n, Inc. v. Walt Disney World Co.*, 726 So. 2d 796, 799 (Fla. 3d DCA 1999). However, effective July 1, 2024, section 718.124 has been amended to toll both the limitations and repose periods until a majority of unit owners have been elected to the board. See Chapter 2024-244, Laws of Florida.