# Prompt Processing of Change Orders (and other legislative potpourri from 2025)

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### **Construction Regulation**

- Chapter 2025-140, Laws of Florida (CS/CS/CS HB 683)
  - requirements for "prompt processing" of change orders
  - elimination of "work volume" as a contractor selection criteria for public works projects
  - limitation on building department document requests for permit applications

## Local Government Prompt Pay Act – Fla. Stat. §218.70-80

- Recent commercial construction industry changes
  - 2020  $\rightarrow$  Reduction in Retainage from 10% to 5%
    - s. 1, ch. 2020-173, Laws of Florida
  - 2021  $\rightarrow$  Increase statutory interest from 1% to 2%
    - s. 1, ch. 2021-124, Laws of Florida
  - - s. 1, ch. 2023-134, Laws of Florida

## Prompt Processing of Change Orders – Fla. Stat. §718.255

Sovereign Immunity and Public Works
 Contracts

 Typical Price Quote and Change Order Provision

### Fla. Stat. § 718.255 – Legislative History



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#### CS/CS/CS/HB 683 (2025) - Construction Regulations

General Bill by Commerce Committee and Intergovernmental Affairs Subcommittee and Industries & Professional Activities Subcommittee and Griffitts (CO-SPONSORS) Benarroch; Salzman

Construction Regulations: Requires DEP to adopt minimum standards for installation of synthetic turf on specified properties; prohibits local governments from adopting or enforcing any pronouncement that prohibits, or is enforced to prohibit, property owners from installing synthetic turf meeting certain requirements; requires local governmental entities to approve or deny certain price quotes & provide notice to contractors within specified timeframe; prohibits state or certain political subdivisions from penalizing or rewarding bidders for performing larger or smaller volumes of construction work for state or political subdivisions; provides exemption from Florida Building Code to systems or equipment located within spaceport territory which is used for specified purposes; prohibits local governments from requiring copies of contracts & certain associated documents for issuance of building permits or as requirement for submitting building permit applications; revises conditions under which specified contractors may elect to use private provider to provide inspection services; authorizes private providers to use automated or software-based plans review systems designed to make certain determinations; requires local building officials to issue permits within specified timeframe if such permit application is related to certain singletrade plans reviews; authorizes certain inspections to be performed in person or virtually.

Effective Date: July 1, 2025

Last Event: Chapter No. 2025-140 on Monday, June 16, 2025 3:07 PM

Date Available for Final Passage: Friday, April 25, 2025 3:48 PM

Lobbyist Disclosure Information

### Legislative History, Cont. – Lobbyists

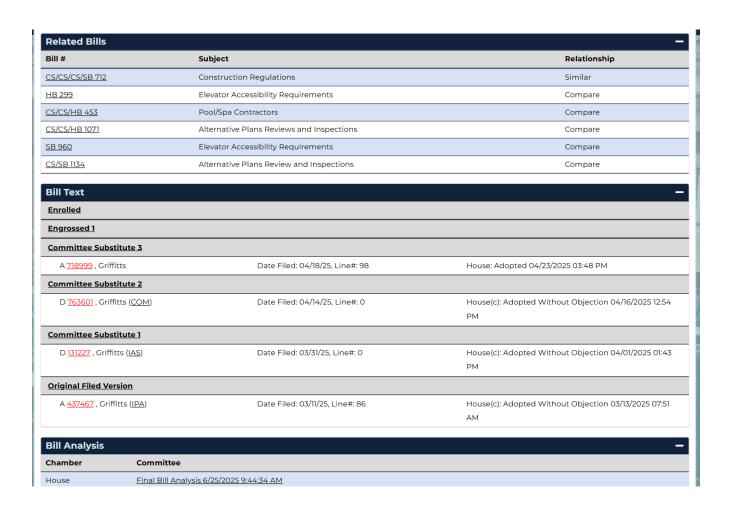
### **Industry**

- Associated General Contractors Council
- Associated Builders & Contractors
- Florida Fire Sprinkler Association
- Florida Concrete & Products Association

### **Municipalities**

- Florida Association of Counties
- Florida League of Cities, Inc

### Legislative History, Cont. – History of HB 683



### HB 683 – Original Filed Version (3/11/2025)

53 Section 2. Section 218.755, Florida Statutes, is created 54 to read: 218.755 Prompt processing of change orders.—Beginning on 55 or after July 1, 2025, if a local governmental entity receives from its contractor a price quote for a change order issued by the local governmental entity, and the price quote conforms to all statutory requirements and contractual requirements for the project, the local governmental entity must approve or deny the price quote and send written notice of that decision to the contractor within 30 days. Any denial notice must specify the alleged deficiencies in the price quote and the actions necessary to remedy those deficiencies. If the local governmental entity fails to provide such information on a denial notice, it is liable to the contractor for all additional labor, staffing, materials, supplies, equipment, and overhead associated with the change order. A contract between a local governmental entity and a contractor may not alter the local governmental entity's duties under this section.

### HB 683 – Enrolled

ENROLLED

CS/CS/CS/HB 683, Engrossed 1

93 218.755 Prompt processing of change orders.-For any contract for construction services entered into on or after July 94 1, 2025, if a local governmental entity receives from its 95 96 contractor a price quote for a change order requested or issued 97 by the local governmental entity for construction services, and the price quote conforms to all statutory requirements and 98 99 contractual requirements for the project, the local governmental entity must approve or deny the price quote and send written 100

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CODING: Words stricken are deletions; words underlined are additions.

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#### FLORIDA HOUSE OF REPRESENTATIVE

2025 Legislature

101	notice of that decision to the contractor within 35 days after
102	receipt of such quote. A denial notice must specify the alleged
103	deficiencies in the price quote and the actions necessary to
104	remedy those deficiencies. If the local governmental entity
105	fails to provide the contractor with a notice in compliance with
106	this section, the change order and price quote are deemed
107	approved, and the local governmental entity must pay the
108	contractor the amount stated in the price quote upon the
109	completion of the change order. A contract between a local
110	governmental entity and a contractor may not alter the local
111	governmental entity's duties under this section.

### HB 683 – Final Staff Analysis

Current law provides that when a local government entity enters into a contract for construction services <sup>14</sup> with a contractor, <sup>15</sup> the local government entity must identify the agent, <sup>16</sup> employee, facility, or office who is to receive the contractor's payment request or invoices. <sup>17</sup> Every local government entity must establish procedures so that every payment request or invoice received by the local government entity is marked as received on the date on which it is delivered to an agent or employee of the local government entity, or a facility or office of the local governmental entity. <sup>18</sup>

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<sup>5</sup> Art. VIII. s. 2(b); see also s. 166.021(1), F.S.
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UMP TO

SUMMARY

ANALYSIS

RELEVANT INFORMATION

When a contractor submits a payment request or invoice, the local government entity must make the payment within: 19

- 25 business days after the date on which the payment request or invoice is stamped, if an agent must approve the invoice before it is submitted to the entity for payment; or
- 20 business days after the date the payment request or invoice is stamped, if an agent is not required to approve the invoice.

<sup>&</sup>lt;sup>6</sup> Preemption Definition, Black's Law Dictionary (12th ed. 2024).

<sup>&</sup>lt;sup>7</sup> See City of Hollywood v. Mulligan, 934 So. 2d 1238, 1243 (Fla. 2006); Phantom of Clearwater, Inc. v. Pinellas County, 894 So. 2d 1011, 1018 (Fla. 2d DCA 2005).

<sup>8</sup> Mulligan, 934 So. 2d at 1243.

<sup>9</sup> Tallahassee Mem. Reg. Med. Ctr., Inc. v. Tallahassee Med. Ctr., Inc., 681 So. 2d 826, 831 (Fla. 1st DCA 1996).

<sup>&</sup>lt;sup>10</sup> D'Agastino v. City of Miami, 220 So. 3d 410 (Fla. 2017); Judge James R. Wolf and Sarah Harley Bolinder, <u>The Effectiveness of Home Rule: A Preemptions and Conflict Analysis</u>, 83 Fla. B.J. 92 (June 2009).

<sup>11</sup> See, e.g., Nat'l Rifle Ass'n of Am., Inc. v. City of S. Miami, 812 So. 2d 504 (Fla. 3d DCA 2002).

<sup>12</sup> S. 218.71, F.S.

<sup>13</sup> S. 218.72(5), F.S.

<sup>&</sup>lt;sup>14</sup> "Construction services" is defined as all labor, services, and materials provided in connection with the construction, alteration, repair, demolition, reconstruction, or other improvements to real property, S. 218,72(2), F.S.

<sup>15 &</sup>quot;Contractor" means the person who contracts directly with a local government entity to provide construction services." S. 218.72(3), F.S.

<sup>16 &</sup>quot;Agent" means the project architect, project engineer, or other agency or person acting on behalf of the local governmental entity. S. 218.72(1), F.S.

<sup>17</sup> S. 218.735(1), F.S.

<sup>18</sup> S. 218.74(1), F.S.

# Fla. Stat. § 718.255 – Prompt Processing of Change Orders

- Local government must, for requested or issued change order, provide written notice either approving or denying a price quote within **35 days of receipt**, if the price quote meets all statutory and contractual requirements.
- Denial notice must specify deficiencies and necessary remedial actions.
- Absent timely written notice, the price quote is deemed approved and the local government must pay quoted price upon completion of change order.
- Applies to contracts entered on or after July 1, 2025.

### Fla. Stat. § 718.255 – Issues

• Unlike Fla. Stat. §218.735(2), which defines the date of receipt for an invoice or payment request (stamped as received), Fla. Stat. §218.755 includes no such reference

 Need for public notice under Sunshine Law for approval of change orders

Contractor compliance with change order pricing requirements

# Construction Regulation – Other Changes

### Elimination of "Work Volume" Criteria

- In recent years, local governments' ability to award contracts for public works projects based on local preference has been curtailed.
- Newly created Fla. Stat. § 255.0992(2)(d) imposes another restriction on a local governments' ability to award a public works project.

### Elimination of "Work Volume" Criteria

- Local governments may not "penalize a bidder for performing a larger volume of construction work" or "reward a bidder for performing a smaller volume of construction work" for the local government when evaluating bids for a public works project. Fla. Stat. §255.0992(2)(d).
- Applies to bid solicitations on or after July 1, 2025.

### **Building Department Document Requests**

- Building permit fees are calculated based on the value of the building improvement stated by the owner or contractor on the building permit application.
- Fla. Stat. § 553.79(1)(f)(2024) prohibited local governments from requiring Owner-Contractor agreement for the issuance of a building permit.

### **Building Department Document Requests**

• Post-amendment, local governments are also now prohibited from requiring not only "a copy of a contract," but also "any associated document, including but not limited to, letters of intent, material costs lists, labor costs, or overhead or profit statements." Fla. Stat. § 553.79(1)(f).

### What to expect for 2026?



Joshua E. Doyle Executive Director 850/561-5600 www.FLORIDABAR.org

VIA EMAIL ONLY

March 13, 2025

John Christopher Moran Chair, Real Property, Probate and Trust Law Section Gunster Yoakley & Stewart P A 777 S Flagler Dr Ste 500E West Palm Beach. FL 33401-6121

Re: Report of Florida Bar Board of Governors Executive Committee Action

Dear Chair Moran:

On March 13, 2025 the Executive Committee of the Board of Governors of The Florida Bar considered two requests by the Real Property, Probate and Trust Law Section for new legislative positions.

Upon review of these requests, the Executive Committee decided, under Standing Board Policy 9.50 (b) and (f), to take no action on section advocacy of these positions. Consistent with your submission, these positions of the Real Property, Probate and Trust Law Section will be officially published within the 2024-2026 Master List of Positions as follows:

- Opposes legislation that modifies or expands the role of curators or courts in probate administration proceedings unless such legislation is narrowly tailored to avoid conflicts with existing law, unnecessary probate filings, increased costs, or additional burdens on the court system.
- Opposes legislation which removes lien rights from all entities other than the contractor as long as the owner pays the contractor, even if the contractor doesn't pay its downstream lienors, unless the bill is modified to provide a balanced approach that is more fair to all parties.

 Fla. Stat. § 95.11(3)(b) – Approved RPPTL Legislative Position

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- 718.124 Limitation on actions by association.—The statute of limitations and statute of repose for any actions in law or equity which a condominium association or a cooperative association may have shall not begin to run until the unit owners have elected a majority of the members of the board of administration.
  - Ch. 2024-244.

### Legislative Resources

- Legislative Links, Dates and Resources
  - If more in-depth bill tracking is desired, you can create Legislative tracking accounts on both the <u>House</u> and <u>Senate</u>, websites. Once you set up an account, these tracking systems can be personalized to follow specific issues of importance and can be set up to receive automatic email alerts when the status of those items changes. If you need assistance, email <u>Joni Hooks</u> or call her at 800-342-8060 ext. 5662.
    - Bill filing deadline: 1/9/2026
    - 2026 Legislative Session: 1/13/2026 –3/13/2026
- CLC Legislative Subcommittee
  - Email <u>Nick Elder</u> and <u>Ryan Sullivan</u> (co-chairs), along with <u>Bruce</u>
     <u>Partington</u>, <u>Brett Henson</u>, and <u>Jason Quintero</u> (CLC Chair and Vice Chairs) regarding bills with potential legal or industry impact

### Legislative Resources, cont.

#### • CLE

- RPPTL 45th Annual Legislative & Case Law Update (8/22/2026)
- <u>I'm Just a Bill on Capitol Hill Understanding the Florida Legislative Process</u> (10/1/2025)
  - Every attorney in Florida is impacted by the legislative process, from new laws, to amendments of old laws, to clarification of existing laws. But how does an idea in Florida become law? What are the steps in the process? How do you speak "legislativease"? Come learn the ins and outs of the Florida legislative process so you can better understand how a bill becomes law and be prepared to address legislative changes before they take effect.
    - How a Bill Becomes a Law, French Brown, Tallahassee
    - Providing Technical Comments, Steve Mezer, Tampa
    - Panel Discussion and Q&A on Legislative Issues, Shawn G. Brown, Tampa

### The End – Questions?