

# Section 120.595

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## CHAPTER 96-159

### **Committee Substitute for Senate Bill Nos. 2290 & 2288**

Section 1. It is the intent of the Legislature to consider the impact of any agency rulemaking required by proposed legislation and to determine whether the proposed legislation provides adequate and appropriate standards and guidelines to direct the agency's implementation of the proposed legislation.

Section 25. Section 120.595, Florida Statutes, is created to read:

120.595 Attorney's fees

(1) CHALLENGES TO AGENCY ACTION PURSUANT TO SECTION 120.57(1).—

(a) The provisions of this subsection are supplemental to, and do not abrogate, other provisions allowing the award of fees or costs in administrative proceedings.

(b) The final order in a proceeding pursuant to s. 120.57(1) shall award reasonable costs and a reasonable attorney's fee to the prevailing party only where the nonprevailing adverse party has been determined by the administrative law judge to have participated in the proceeding for an improper purpose.

(c) In proceedings pursuant to s. 120.57(1), and upon motion, the administrative law judge shall determine whether any party participated in the proceeding for an improper purpose as defined by this subsection and s. 120.569(2)(c). In making such determination, the administrative law judge shall consider whether the nonprevailing adverse party has participated in two or more other such proceedings involving the same prevailing party and the same project as an adverse party and in which such two or more proceedings the nonprevailing adverse party did not establish either the factual or legal merits of its position, and shall consider whether the factual or legal position asserted in the instant proceeding would have been cognizable in the previous proceedings. In such event, it shall be rebuttably presumed that the nonprevailing adverse party participated in the pending proceeding for an improper purpose.

(d) In any proceeding in which the administrative law judge determines that a party participated in the proceeding for an improper purpose, the recommended order shall so designate and shall determine the award of costs and attorney's fees.

(e) For the purpose of this subsection:

1. “Improper purpose” means participation in a proceeding pursuant to s. 120.57(1) primarily to harass or to cause unnecessary delay or for frivolous purpose or to needlessly increase the cost of licensing or securing the approval of an activity.

2. “Costs” has the same meaning as the costs allowed in civil actions in this state as provided in chapter 57.

3. “Nonprevailing adverse party” means a party that has failed to have substantially changed the outcome of the proposed or final agency action which is the subject of a proceeding. In the event that a proceeding results in any substantial modification or condition intended to resolve the matters raised in a party’s petition, it shall be determined that the party having raised the issue addressed is not a nonprevailing adverse party. The recommended order shall state whether the change is substantial for purposes of this subsection. In no event shall the term “nonprevailing party” or “prevailing party” be deemed to include any party that has intervened in a previously existing proceeding to support the position of an agency.

(2) CHALLENGES TO PROPOSED AGENCY RULES PURSUANT TO SECTION 120.56(2).--If the court or administrative law judge declares a proposed rule or portion of a proposed rule invalid pursuant to s. 120.56(2), a judgment or order shall be rendered against the agency for reasonable costs and reasonable attorney’s fees, unless the agency demonstrates that its actions were substantially justified or special circumstances exist which would make the award unjust. An agency’s actions are “substantially justified” if there was a reasonable basis in law and fact at the time the actions were taken by the agency. If the agency prevails in the proceedings, the court or administrative law judge shall award reasonable costs and reasonable attorney’s fees against a party if the court or administrative law judge determines that a party participated in the proceedings for an improper purpose as defined by paragraph (1)(e). No award of attorney’s fees as provided by this subsection shall exceed \$15,000.

(3) CHALLENGES TO EXISTING AGENCY RULES PURSUANT TO SECTION 120.56(3).--If the court or administrative law judge declares a rule or portion of a rule invalid pursuant to s. 120.56(3), a judgment or order shall be rendered against the agency for reasonable costs and reasonable attorney’s fees, unless the agency demonstrates that its actions were substantially justified or special circumstances exist which would make the award unjust. An agency’s actions are “substantially justified” if there was a reasonable basis in law and fact at the time the actions were taken by the agency. If the agency prevails in the proceedings, the court or administrative law judge shall award reasonable costs and reasonable attorney’s fees against a party if the court or administrative law judge determines that a party participated in the proceedings for an improper purpose as defined by paragraph (1)(e). No award of attorney’s fees as provided by this subsection shall exceed \$15,000.

(4) CHALLENGES TO AGENCY ACTION PURSUANT TO SECTION 120.56(4).—

(a) Upon entry of a final order that all or part of an agency statement violates s. 120.54(1)(a), the administrative law judge shall award reasonable costs and reasonable attorney's fees to the petitioner.

(b) Notwithstanding the provisions of chapter 284, an award shall be paid from the budget entity of the secretary, executive director, or equivalent administrative officer of the agency, and the agency shall not be entitled to payment of an award or reimbursement for payment of an award under any provision of law.

(5) APPEALS.--When there is an appeal, the court in its discretion may award reasonable attorney's fees and reasonable costs to the prevailing party if the court finds that the appeal was frivolous, meritless, or an abuse of the appellate process, or that the agency action which precipitated the appeal was a gross abuse of the agency's discretion. Upon review of agency action that precipitates an appeal, if the court finds that the agency improperly rejected or modified findings of fact in a recommended order, the court shall award reasonable attorney's fees and reasonable costs to a prevailing appellant for the administrative proceeding and the appellate proceeding.

## **CHAPTER 97-176**

### **Committee Substitute for Senate Bill No. 1066**

Section 11. Paragraph (a) of subsection (4) of section 120.595, Florida Statutes, 1996 Supplement, is amended to read:

120.595 Attorney's fees.—

(4) CHALLENGES TO AGENCY ACTION PURSUANT TO SECTION 120.56(4).—

(a) Upon entry of a final order that all or part of an agency statement violates s. 120.54(1)(a), the administrative law judge shall award reasonable costs and reasonable attorney's fees to the petitioner, unless the agency demonstrates that the statement is required by the Federal Government to implement or retain a delegated or approved program or to meet a condition to receipt of federal funds.

## **CHAPTER 99-02**

### **House Bill No. 1037**

Section 48. Paragraph (c) of subsection (1) of section 120.595, Florida Statutes, is amended to read:

120.595 Attorney's fees.—

(1) CHALLENGES TO AGENCY ACTION PURSUANT TO SECTION 120.57(1).—

(c) In proceedings pursuant to s. 120.57(1), and upon motion, the administrative law judge shall determine whether any party participated in the proceeding for an improper purpose as defined by this subsection and s. ~~120.569(2)(e)~~ ~~120.569(2)(e)~~. In making such determination, the administrative law judge shall consider whether the nonprevailing adverse party has participated in two or more other such proceedings involving the same prevailing party and the same project as an adverse party and in which such two or more proceedings the nonprevailing adverse party did not establish either the factual or legal merits of its position, and shall consider whether the factual or legal position asserted in the instant proceeding would have been cognizable in the previous proceedings. In such event, it shall be rebuttably presumed that the nonprevailing adverse party participated in the pending proceeding for an improper purpose.

Reviser's note.--Amended to conform to the redesignation of subunits of s. 120.569(2) by s. 4, ch. 98-200, Laws of Florida.

#### **CHAPTER 2003-94**

#### **Committee Substitute for Committee Substitute for Senate Bill No. 1584**

Section 6. Paragraphs (c) and (e) of subsection (1) of section 120.595, Florida Statutes, are amended, and subsection (6) is added to that section, to read:

120.595 Attorney's fees.—

(1) CHALLENGES TO AGENCY ACTION PURSUANT TO SECTION 120.57(1).—

(c) In proceedings pursuant to s. 120.57(1), and upon motion, the administrative law judge shall determine whether any party participated in the proceeding for an improper purpose as defined by this subsection ~~and s. 120.569(2)(e)~~. In making such determination, the administrative law judge shall consider whether the nonprevailing adverse party has participated in two or more other such proceedings involving the same prevailing party and the same project as an adverse party and in which such two or more proceedings the nonprevailing adverse party did not establish either the factual or legal merits of its position, and shall consider whether the factual or legal position asserted in the instant proceeding would have been cognizable in the previous proceedings. In such event, it shall be rebuttably presumed that the nonprevailing adverse party participated in the pending proceeding for an improper purpose.

(e) For the purpose of this subsection:

1. “Improper purpose” means participation in a proceeding pursuant to s. 120.57(1) primarily to harass or to cause unnecessary delay or for frivolous purpose or to needlessly increase the cost of litigation, licensing, or securing the approval of an activity.

2. “Costs” has the same meaning as the costs allowed in civil actions in this state as provided in chapter 57.

3. “Nonprevailing adverse party” means a party that has failed to have substantially changed the outcome of the proposed or final agency action which is the subject of a proceeding. In the event that a proceeding results in any substantial modification or condition intended to resolve the matters raised in a party’s petition, it shall be determined that the party having raised the issue addressed is not a nonprevailing adverse party. The recommended order shall state whether the change is substantial for purposes of this subsection. In no event shall the term “nonprevailing party” or “prevailing party” be deemed to include any party that has intervened in a previously existing proceeding to support the position of an agency.

(6) OTHER SECTIONS NOT AFFECTED.—Other provisions, including ss. 57.105 and 57.111, authorize the award of attorney’s fees and costs in administrative proceedings. Nothing in this section shall affect the availability of attorney’s fees and costs as provided in those sections.

## **CHAPTER 2008-104**

### **Committee Substitute for Committee Substitute for Senate Bill No. 704**

Section 13. Effective January 1, 2009, subsections (2), (3), and (4) of section 120.595, Florida Statutes, are amended to read:

120.595 Attorney’s fees.—

(2) CHALLENGES TO PROPOSED AGENCY RULES PURSUANT TO SECTION 120.56(2).—If the appellate court or administrative law judge declares a proposed rule or portion of a proposed rule invalid pursuant to s. 120.56(2), a judgment or order shall be rendered against the agency for reasonable costs and reasonable attorney’s fees, unless the agency demonstrates that its actions were substantially justified or special circumstances exist which would make the award unjust. An agency’s actions are “substantially justified” if there was a reasonable basis in law and fact at the time the actions were taken by the agency. If the agency prevails in the proceedings, the appellate court or administrative law judge shall award reasonable costs and reasonable attorney’s fees against a party if the appellate court or administrative law judge determines that a party participated in the proceedings for an improper purpose as defined by paragraph (1)(e). No award of attorney’s fees as provided by this subsection shall exceed \$50,000 ~~\$15,000~~.

(3) CHALLENGES TO EXISTING AGENCY RULES PURSUANT TO SECTION 120.56(3) AND (5).—If the appellate court or administrative law judge declares a rule or portion of a rule invalid pursuant to s. 120.56(3) or s. 120.56(5), a judgment or order shall be rendered against the agency for reasonable costs and reasonable attorney’s fees, unless the agency demonstrates that its actions were substantially justified or special circumstances exist which would make the award unjust. An agency’s actions are “substantially justified” if there was a reasonable basis in law and fact at the time the actions were taken by the agency. If the agency prevails in the proceedings, the appellate court or administrative law judge shall award reasonable costs and reasonable attorney’s fees against a party if the appellate court or administrative law judge determines that a party participated in the proceedings for an improper purpose as defined by paragraph (1)(e). No award of attorney’s fees as provided by this subsection shall exceed \$50,000 ~~\$15,000~~.

(4) CHALLENGES TO AGENCY ACTION PURSUANT TO SECTION 120.56(4).—

(a) If the appellate court or administrative law judge determines ~~Upon entry of a final order~~ that all or part of an agency statement violates s.120.54(1)(a), or that the agency must immediately discontinue reliance on the statement and any substantially similar statement pursuant to s. 120.56(4)(e), a judgment or order shall be entered against the agency for the administrative law judge shall award reasonable costs and reasonable attorney’s fees ~~to the petitioner~~, unless the agency demonstrates that the statement is required by the Federal Government to implement or retain a delegated or approved program or to meet a condition to receipt of federal funds.

(b) Upon notification to the administrative law judge provided before the final hearing that the agency has published a notice of rulemaking under s. 120.54(3)(a), such notice shall automatically operate as a stay of proceedings pending rulemaking. The administrative law judge may vacate the stay for good cause shown. A stay of proceedings under this paragraph remains in effect so long as the agency is proceeding expeditiously and in good faith to adopt the statement as a rule. The administrative law judge shall award reasonable costs and reasonable attorney’s fees accrued by the petitioner prior to the date the notice was published, unless the agency proves to the administrative law judge that it did not know and should not have known that the statement was an unadopted rule. Attorneys’ fees and costs under paragraphs (a) and (b) shall be awarded only upon a finding that the agency received notice that the statement may constitute an unadopted rule at least 30 days before a petition under s. 120.56(4) was filed and that the agency failed to publish the required notice of rulemaking pursuant to s. 120.54(3) that addresses the statement within that 30-day period. Notice to the agency may be satisfied by its receipt of a copy of the s. 120.56(4) petition, a notice or other paper containing substantially the same information, or a petition filed pursuant to s. 120.54(7). An award of attorney’s fees as provided by this paragraph may not exceed \$50,000.

~~(c)(b)~~ Notwithstanding the provisions of chapter 284, an award shall be paid from the

budget entity of the secretary, executive director, or equivalent administrative officer of the agency, and the agency shall not be entitled to payment of an award or reimbursement for payment of an award under any provision of law.

(d) If the agency prevails in the proceedings, the appellate court or administrative law judge shall award reasonable costs and attorney's fees against a party if the appellate court or administrative law judge determines that the party participated in the proceedings for an improper purpose as defined in paragraph (1)(e) or that the party or the party's attorney knew or should have known that a claim was not supported by the material facts necessary to establish the claim or would not be supported by the application of then-existing law to those material facts.

### **CHAPTER 2017-3**

#### **Senate Bill No. 502**

An act relating to the Florida Statutes; amending ss. 102.031, 106.24, 120.595, 190.046, 212.08, 215.555, 215.619, 215.985, 253.034, 288.9936, 316.003, 316.545, 316.613, 320.08, 322.121, 373.042, 373.414, 373.4592, 373.707, 376.3071, 393.18, 393.501, 394.461, 400.925, 402.3025, 409.9201, 413.207, 413.402, 440.185, 459.022, 491.0046, 497.458, 499.015, 499.036, 499.83, 553.79, 571.24, 625.111, 627.0629, 627.42392, 627.6562, 627.7074, 633.216, 655.960, 744.20041, 790.065, 832.07, 893.0356, 893.13, 921.0022, 932.7055, 1002.385, 1003.42, 1006.195, 1012.796, and 1013.40, F.S.; deleting provisions that have expired, have become obsolete, have had their effect, have served their purpose, or have been impliedly repealed or superseded; replacing incorrect cross-references and citations; correcting grammatical, typographical, and like errors; removing inconsistencies, redundancies, and unnecessary repetition in the statutes; and improving the clarity of the statutes and facilitating their correct interpretation; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 3. Paragraph (a) of subsection (4) of section 120.595, Florida Statutes, is amended to read:

120.595 Attorney's fees.—

(4) CHALLENGES TO AGENCY ACTION PURSUANT TO SECTION 120.56(4).—

(a) If the appellate court or administrative law judge determines that all or part of an agency statement violates s. 120.54(1)(a), or that the agency must immediately discontinue reliance on the statement and any substantially similar statement pursuant to s. ~~120.56(4)(f)~~ ~~120.56(4)(e)~~, a judgment or order shall be entered against the agency for reasonable costs and reasonable attorney's fees, unless the

agency demonstrates that the statement is required by the Federal Government to implement or retain a delegated or approved program or to meet a condition to receipt of federal funds.

Reviser's note.—Amended to conform to the redesignation of s. 120.56(4)(e) as s. 120.56(4)(f) by s. 3, ch. 2016-116, Laws of Florida.