1 A bill to be entitled 2 An act relating to residential communities; amending 3 s. 468.431, F.S.; revising the term "community 4 association management"; amending s. 718.116, F.S.; 5 requiring a claim of lien on a condominium parcel to 6 be in a specific form; requiring a release of lien to 7 be in a specific form; amending s. 719.108, F.S.; 8 deleting a provision providing for the expiration of 9 certain liens; revising notice requirements; requiring 10 a claim of lien on a cooperative parcel to be in a 11 specific form; providing for the content of a 12 recording notice; requiring a release of lien to be in a specific form; amending s. 720.3085, F.S.; requiring 13 a claim of lien on a parcel within a homeowners' 14 15 association to be in a specific form; requiring a release of lien to be in a specific form; providing an 16 effective date. 17 18 19 Be It Enacted by the Legislature of the State of Florida: 20 21 Section 1. Subsection (2) of section 468.431, Florida 22 Statutes, is amended to read: 23 Definitions.—As used in this part: 468.431 24 "Community association management" means any of the 25 following practices requiring substantial specialized knowledge,

Page 1 of 20

judgment, and managerial skill when done for remuneration and

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when the association or associations served contain more than 10 units or have an annual budget or budgets in excess of \$100,000: controlling or disbursing funds of a community association, preparing budgets or other financial documents for a community association, assisting in the noticing or conduct of community association meetings, determining the number of days required for statutory notices, determining amounts due to the association, collecting amounts due to the association before filing of a civil action, calculating the votes required for a quorum or to approve a proposition or amendment, completing forms related to the management of a community association that have been created by statute or by a state agency, drafting letters of intended action, drafting meeting notices and agendas, calculating and preparing certificates of assessment, responding to requests for certificates of assessment, negotiating monetary or performance terms of a contract subject to approval by an association, drafting prearbitration demands, preparing statutory construction lien documents for association projects, coordinating or performing maintenance for real or personal property and other routine services involved in the operation of a community association, and complying with the association's governing documents and the requirements of law as necessary to perform such practices and coordinating maintenance for the residential development and other day-to-day services involved with the operation of a community association. A person who performs clerical or ministerial functions under the direct

Page 2 of 20

supervision and control of a licensed manager or who is charged only with performing the maintenance of a community association and who does not assist in any of the management services described in this subsection is not required to be licensed under this part.

Section 2. Subsection (5) of section 718.116, Florida Statutes, is amended to read:

718.116 Assessments; liability; lien and priority; interest; collection.—

- (5) (a) The association has a lien on each condominium parcel to secure the payment of assessments. Except as otherwise provided in subsection (1) and as set forth below, the lien is effective from and shall relate back to the recording of the original declaration of condominium, or, in the case of lien on a parcel located in a phase condominium, the last to occur of the recording of the original declaration or amendment thereto creating the parcel. However, as to first mortgages of record, the lien is effective from and after recording of a claim of lien in the public records of the county in which the condominium parcel is located. Nothing in this subsection shall be construed to bestow upon any lien, mortgage, or certified judgment of record on April 1, 1992, including the lien for unpaid assessments created herein, a priority which, by law, the lien, mortgage, or judgment did not have before that date.
- (b) To be valid, a claim of lien $\underline{\text{must be in substantially}}$ the following form:

Page 3 of 20

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80	<u>CLAIM OF LIEN</u>								
81									
82	Before me, the undersigned notary public, personally appeared								
83	\dots (name), who was duly sworn and says that he/she is the								
84	authorized agent of the lienor,(name of association),								
85	whose address is(address), and that in accordance with								
86	the Condominium Act and the declaration of(name of								
87	condominium), a condominium, and the articles of								
88	incorporation and bylaws of the association, the association								
89	makes this claim of lien for(basis for claim of lien),								
90	for the following described real property:								
91									
92	UNIT NO OF (NAME OF CONDOMINIUM), A								
93	CONDOMINIUM AS SET FORTH IN THE DECLARATION OF								
94	CONDOMINIUM AND THE EXHIBITS ANNEXED THERETO AND								
95	FORMING A PART THEREOF, RECORDED IN OFFICIAL RECORDS								
96	BOOK, PAGE, OF THE PUBLIC RECORDS OF								
97	COUNTY, FLORIDA. THE ABOVE DESCRIPTION INCLUDES, BUT								
98	IS NOT LIMITED TO, ALL APPURTENANCES TO THE								
99	CONDOMINIUM UNIT ABOVE DESCRIBED, INCLUDING THE								
100	UNDIVIDED INTEREST IN THE COMMON ELEMENTS OF SAID								
101	CONDOMINIUM.								
102									
103	upon which the association asserts this lien. The property is								
104	owned by(name of debtor), Debtor. There remains unpaid to								

Page 4 of 20

105	the association, the sum of \$ This lien secures these
106	amounts, as well as any amounts and assessments and interest
107	that may accrue in the future.
108	
109	(signature of witness) (signature of authorized agent)
110	
111	(signature of witness)
112	
113	Sworn to (or affirmed) and subscribed before me this day of
114	,(year), by(name of person making statement)
115	(Signature of Notary Public)
116	(Print, type, or stamp commissioned name of Notary Public)
117	Personally Known OR Produced as identification.
118	
119	must state the description of the condominium parcel, the name
120	of the record owner, the name and address of the association,
121	the amount due, and the due dates. It must be executed and
122	acknowledged by an officer or authorized agent of the
123	association. The lien is not effective 1 year after the claim of
124	lien was recorded unless, within that time, an action to enforce
125	the lien is commenced. The 1-year period is automatically
126	extended for any length of time during which the association is
127	prevented from filing a foreclosure action by an automatic stay
128	resulting from a bankruptcy petition filed by the parcel owner
129	or any other person claiming an interest in the parcel. The
130	claim of lien secures all unpaid assessments that are due and

Page 5 of 20

that may accrue after the claim of lien is recorded and through the entry of a final judgment, as well as interest and all reasonable costs and attorney's fees incurred by the association incident to the collection process. Upon payment in full, the person making the payment is entitled to a satisfaction of the lien.

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(c) By recording a notice in substantially the following form, a unit owner or the unit owner's agent or attorney may require the association to enforce a recorded claim of lien against his or her condominium parcel:

NOTICE OF CONTEST OF LIEN

TO: ...(Name and address of association)... You are notified that the undersigned contests the claim of lien filed by you on, ...(year)..., and recorded in Official Records Book at Page, of the public records of County, Florida, and that the time within which you may file suit to enforce your lien is limited to 90 days from the date of service of this notice. Executed this day of, ...(year)....

Signed: ...(Owner or Attorney)...

After notice of contest of lien has been recorded, the clerk of the circuit court shall mail a copy of the recorded notice to the association by certified mail, return receipt requested, at the address shown in the claim of lien or most recent amendment to it and shall certify to the service on the face of the notice. Service is complete upon mailing. After service, the

Page 6 of 20

association has 90 days in which to file an action to enforce the lien; and, if the action is not filed within the 90-day period, the lien is void. However, the 90-day period shall be extended for any length of time during which the association is prevented from filing its action because of an automatic stay resulting from the filing of a bankruptcy petition by the unit owner or by any other person claiming an interest in the parcel.

(d) A release of lien must be in substantially the following form:

RELEASE OF LIEN

The undersigned lienor, in consideration of the final payment in the amount of \$...., hereby waives and releases its lien and right to claim a lien for unpaid assessments through, ...(year)..., recorded in the Official Records Book at Page, of the public records of County, Florida, for the following described real property:

UNIT NO. ... OF (NAME OF CONDOMINIUM), A CONDOMINIUM

AS SET FORTH IN THE DECLARATION OF CONDOMINIUM AND THE

EXHIBITS ANNEXED THERETO AND FORMING A PART THEREOF,

RECORDED IN OFFICIAL RECORDS BOOK ..., PAGE ..., OF

THE PUBLIC RECORDS OF ... COUNTY, FLORIDA. THE ABOVE

DESCRIPTION INCLUDES, BUT IS NOT LIMITED TO, ALL

APPURTENANCES TO THE CONDOMINIUM UNIT ABOVE DESCRIBED,

Page 7 of 20

L83	INCLUDING THE UNDIVIDED INTEREST IN THE COMMON
L84	ELEMENTS OF SAID CONDOMINIUM.
L85	
186	(signature of witness) (signature of authorized agent)
L87	
L88	(signature of witness)
L89	
L90	Sworn to (or affirmed) and subscribed before me this day of
191	,(year), by(name of person making statement)
192	(Signature of Notary Public)
L93	(Print, type, or stamp commissioned name of Notary Public)
194	Personally Known OR Produced as identification.
L95	Section 3. Subsection (4) of section 719.108, Florida
L96	Statutes, is amended to read:
L97	719.108 Rents and assessments; liability; lien and
L98	priority; interest; collection; cooperative ownership
L99	(4) The association has a lien on each cooperative parcel
200	for any unpaid rents and assessments, plus interest, and any
201	authorized administrative late fees. If authorized by the
202	cooperative documents, the lien also secures reasonable
203	attorney's fees incurred by the association incident to the
204	collection of the rents and assessments or enforcement of such
205	lien. The lien is effective from and after recording a claim of
206	lien in the public records in the county in which the
207	cooperative parcel is located which states the description of
208	the cooperative parcel, the name of the unit owner, the amount
•	

Page 8 of 20

due, and the due dates. The lien expires if a claim of lien is not filed within 1 year after the date the assessment was due, and the lien does not continue for longer than 1 year after the claim of lien has been recorded unless, within that time, an action to enforce the lien is commenced. Except as otherwise provided in this chapter, a lien may not be filed by the association against a cooperative parcel until 30 days after the date on which a notice of intent to file a lien has been delivered to the owner.

- (a) The notice must be sent to the unit owner at the address of the unit by first-class United States mail and:
- 1. If the most recent address of the unit owner on the records of the association is the address of the unit, the notice must be sent by registered or certified mail, return receipt requested, to the unit owner at the address of the unit.
- 2. If the most recent address of the unit owner on the records of the association is in the United States, but is not the address of the unit, the notice must be sent by registered or certified mail, return receipt requested, to the unit owner at his or her most recent address.
- 3. If the most recent address of the unit owner on the records of the association is not in the United States, the notice must be sent by first-class United States mail to the unit owner at his or her most recent address.

(b)

A notice that is sent pursuant to this paragraph subsection is

Page 9 of 20

235	deemed delivered upon mailing.
236	(b) A claim of lien must be in substantially the following
237	form:
238	
239	CLAIM OF LIEN
240	
241	Before me, the undersigned notary public, personally appeared
242	(name) who was duly sworn and says that he/she is the
243	authorized agent of the lienor, (name of association),
244	whose address is (address), and that in accordance with
245	the Cooperative Act and the cooperative documents of(name of
246	cooperative), a cooperative, and the articles of
247	incorporation and bylaws of the association, the association
248	makes this claim of lien for (basis for claim of lien),
249	for the following described real property:
250	
251	UNIT NO OF (NAME OF COOPERATIVE), A
252	COOPERATIVE AS SET FORTH IN THE COOPERATIVE DOCUMENTS
253	AND THE EXHIBITS ANNEXED THERETO AND FORMING A PART
254	THEREOF, RECORDED IN OFFICIAL RECORDS BOOK, PAGE
255	, OF THE PUBLIC RECORDS OF COUNTY, FLORIDA.
256	THE ABOVE DESCRIPTION INCLUDES, BUT IS NOT LIMITED TO,
257	ALL APPURTENANCES TO THE COOPERATIVE UNIT ABOVE
258	DESCRIBED, INCLUDING THE UNDIVIDED INTEREST IN THE
259	COMMON ELEMENTS OF SAID COOPERATIVE.
260	
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Page 10 of 20

7 P T	upon which the association asserts this lien. The property is
262	owned by (name of debtor), Debtor. There remains unpaid to
263	the association, the sum of \$ This lien secures these
264	amounts, as well as any amounts and assessments and interest
265	that may accrue in the future.
266	
267	(signature of witness) (signature of authorized agent)
268	
269	(signature of witness)
270	
271	Sworn to (or affirmed) and subscribed before me this day of
272	,(year), by(name of person making statement)
273	(Signature of Notary Public)
274	(Print, type, or stamp Commissioned name of Notary Public)
275	Personally Known OR Produced as identification.
276	
277	The claim must be executed and acknowledged by an officer or
278	authorized agent of the association. The lien is not effective 1
279	year after the claim of lien was recorded unless, within that
280	time, an action to enforce the lien is commenced. The 1-year
281	period is automatically extended for any length of time during
282	which the association is prevented from filing a foreclosure
283	action by an automatic stay resulting from a bankruptcy petition
284	filed by the parcel owner or any other person claiming an
285	interest in the parcel. The claim of lien secures all unpaid
286	rents and assessments that are due and that may accrue after the

Page 11 of 20

claim of lien is recorded and through the entry of a final judgment, as well as interest and all reasonable costs and attorney's fees incurred by the association incident to the collection process. Upon payment in full, the person making the payment is entitled to a satisfaction of the lien.

(c) By recording a notice in substantially the following

(c) By recording a notice in substantially the following form, a unit owner or the unit owner's agent or attorney may require the association to enforce a recorded claim of lien against his or her cooperative parcel:

NOTICE OF CONTEST OF LIEN

TO: ...(Name and address of association)... You are notified that the undersigned contests the claim of lien filed by you on ..., ...(year)..., and recorded in Official Records

Book ... at Page ..., of the public records of County,

Florida, and that the time within which you may file suit to enforce your lien is limited to 90 days from the date of service of this notice. Executed this day of ..., ...(year)....

Signed: ...(Owner or Attorney)...

After notice of contest of lien has been recorded, the clerk of the circuit court shall mail a copy of the recorded notice to the association by certified mail, return receipt requested, at the address shown in the claim of lien or most recent amendment to it and shall certify to the service on the face of the

Page 12 of 20

313	notice. Service is complete upon mailing. After service, the								
314	association has 90 days in which to file an action to enforce								
315	the lien; and, if the action is not filed within the 90-day								
316	period, the lien is void. However, the 90-day period shall be								
317	extended for any length of time during which the association is								
318	prevented from filing its action because of an automatic stay								
319	resulting from the filing of a bankruptcy petition by the unit								
320	owner or by any other person claiming an interest in the parcel.								
321	(d) To be valid, a release of lien must be in								
322	substantially the following form:								
323									
324	RELEASE OF LIEN								
325									
326	The undersigned lienor, in consideration of the final payment in								
326 327	The undersigned lienor, in consideration of the final payment in the amount of \$, hereby waives and releases its lien and								
327	the amount of \$, hereby waives and releases its lien and								
327 328	the amount of \$, hereby waives and releases its lien and right to claim a lien for unpaid assessments through,								
327 328 329	the amount of \$, hereby waives and releases its lien and right to claim a lien for unpaid assessments through,(year), recorded in the Official Records Book at Page								
327 328 329 330	the amount of \$, hereby waives and releases its lien and right to claim a lien for unpaid assessments through,(year), recorded in the Official Records Book at Page, of the public records of County, Florida, for the								
327 328 329 330 331	the amount of \$, hereby waives and releases its lien and right to claim a lien for unpaid assessments through,(year), recorded in the Official Records Book at Page, of the public records of County, Florida, for the								
327 328 329 330 331 332	the amount of \$, hereby waives and releases its lien and right to claim a lien for unpaid assessments through,(year), recorded in the Official Records Book at Page, of the public records of County, Florida, for the following described real property:								
327 328 329 330 331 332 333	the amount of \$, hereby waives and releases its lien and right to claim a lien for unpaid assessments through,(year), recorded in the Official Records Book at Page, of the public records of County, Florida, for the following described real property: UNIT NO OF (NAME OF COOPERATIVE), A COOPERATIVE								
327 328 329 330 331 332 333 334	the amount of \$, hereby waives and releases its lien and right to claim a lien for unpaid assessments through,(year), recorded in the Official Records Book at Page, of the public records of County, Florida, for the following described real property: UNIT NO OF (NAME OF COOPERATIVE), A COOPERATIVE AS SET FORTH IN THE COOPERATIVE DOCUMENTS AND THE								
327 328 329 330 331 332 333 334 335	the amount of \$, hereby waives and releases its lien and right to claim a lien for unpaid assessments through,(year), recorded in the Official Records Book at Page, of the public records of County, Florida, for the following described real property: UNIT NO OF (NAME OF COOPERATIVE), A COOPERATIVE AS SET FORTH IN THE COOPERATIVE DOCUMENTS AND THE EXHIBITS ANNEXED THERETO AND FORMING A PART THEREOF,								

Page 13 of 20

339	APPURTENANCES TO THE COOPERATIVE UNIT ABOVE DESCRIBED,								
340	INCLUDING THE UNDIVIDED INTEREST IN THE COMMON								
341	ELEMENTS OF SAID COOPERATIVE.								
342									
343	(signature of witness) (signature of authorized agent)								
344									
345	(signature of witness)								
346									
347	Sworn to (or affirmed) and subscribed before me this day of								
348	,(year), by(name of person making statement)								
349	(Signature of Notary Public)								
350	(Print, type, or stamp commissioned name of Notary Public)								
351	Personally Known OR Produced as identification.								
352	Section 4. Subsection (1) of section 720.3085, Florida								
353	Statutes, is amended to read:								
354	720.3085 Payment for assessments; lien claims.—								
355	(1) When authorized by the governing documents, the								
356	association has a lien on each parcel to secure the payment of								
357	assessments and other amounts provided for by this section.								
358	Except as otherwise set forth in this section, the lien is								
359	effective from and shall relate back to the date on which the								
360	original declaration of the community was recorded. However, as								
361	to first mortgages of record, the lien is effective from and								
362	after recording of a claim of lien in the public records of the								
363	county in which the parcel is located. This subsection does not								
364	bestow upon any lien, mortgage, or certified judgment of record								

Page 14 of 20

365 on July 1, 2008, including the lien for unpaid assessments created in this section, a priority that, by law, the lien, 366 367 mortgage, or judgment did not have before July 1, 2008. 368 To be valid, a claim of lien must be in substantially 369 the following form: 370 371 CLAIM OF LIEN 372 373 Before me, the undersigned notary public, personally appeared 374 ... (name) ... who was duly sworn and says that he/she is the authorized agent of the lienor, ... (name of association)..., 375 376 whose address is ... (address) ..., and that in accordance with 377 the Florida Statutes and the homeowners' association documents 378 of ... (name of association) ..., a homeowners' association, and 379 the articles of incorporation and bylaws of the association, the 380 association makes this claim of lien for ... (basis for claim of 381 lien)..., for the following described real property: 382 383 (PARCEL NO. OR LOT AND BLOCK) OF (NAME OF 384 HOMEOWNERS' ASSOCIATION), A HOMEOWNERS' ASSOCIATION AS 385 SET FORTH IN THE HOMEOWNERS' ASSOCIATION DOCUMENTS AND 386 THE EXHIBITS ANNEXED THERETO AND FORMING A PART 387 THEREOF, RECORDED IN OFFICIAL RECORDS BOOK, PAGE 388, OF THE PUBLIC RECORDS OF COUNTY, FLORIDA. 389 390 (or insert appropriate metes and bounds description

Page 15 of 20

391	<u>here)</u>								
392									
393	upon which the association asserts this lien. The property is								
394	owned by(name of debtor), Debtor. There remains unpaid to								
395	the association, the sum of \$ This lien secures these								
396	amounts, as well as any amounts and assessments and interest								
397	that may accrue in the future.								
398									
399	(signature of witness) (signature of authorized agent)								
100									
101	(signature of witness)								
102									
103	Sworn to (or affirmed) and subscribed before me this day of								
104	, (year), by (name of person making statement)								
105	(Signature of Notary Public)								
106	(Print, type, or stamp commissioned name of Notary Public)								
107	Personally Known OR Produced as identification.								
108									
109	must state the description of the parcel, the name of the record								
110	owner, the name and address of the association, the assessment								
111	amount due, and the due date. The claim of lien secures all								
112	unpaid assessments that are due and that may accrue subsequent								
113	to the recording of the claim of lien and before entry of a								
114	certificate of title, as well as interest, late charges, and								
115	reasonable costs and attorney's fees incurred by the association								
116	incident to the collection process. The person making payment is								

Page 16 of 20

417 entitled to a satisfaction of the lien upon payment in full. 418 By recording a notice in substantially the following 419 form, a parcel owner or the parcel owner's agent or attorney may 420 require the association to enforce a recorded claim of lien 421 against his or her parcel: 422 NOTICE OF CONTEST OF LIEN 423 TO: ... (Name and address of association) ... 424 You are notified that the undersigned contests the claim of lien 425 filed by you on, ... (year)..., and recorded in Official 426 Records Book at page, of the public records of 427 County, Florida, and that the time within which you may file 428 suit to enforce your lien is limited to 90 days following the 429 date of service of this notice. Executed this day of, 430 ...(year).... 431 Signed: ... (Owner or Attorney) ... 432 After the notice of a contest of lien has been recorded, the 433 clerk of the circuit court shall mail a copy of the recorded 434 notice to the association by certified mail, return receipt 435 requested, at the address shown in the claim of lien or the most 436 recent amendment to it and shall certify to the service on the 437 face of the notice. Service is complete upon mailing. After service, the association has 90 days in which to file an action 438 to enforce the lien and, if the action is not filed within the 439 440 90-day period, the lien is void. However, the 90-day period 441 shall be extended for any length of time that the association is 442 prevented from filing its action because of an automatic stay

Page 17 of 20

resulting from the filing of a bankruptcy petition by the parcel owner or by any other person claiming an interest in the parcel.

- (c) The association may bring an action in its name to foreclose a lien for assessments in the same manner in which a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid assessments without waiving any claim of lien. The association is entitled to recover its reasonable attorney's fees incurred in an action to foreclose a lien or an action to recover a money judgment for unpaid assessments.
- (d) A release of lien must be in substantially the following form:

RELEASE OF LIEN

The undersigned lienor, in consideration of the final payment in the amount of \$...., hereby waives and releases its lien and right to claim a lien for unpaid assessments through, ...(year)..., recorded in the Official Records Book at Page, of the public records of County, Florida, for the following described real property:

465 (PARCEL NO. ... OR LOT AND BLOCK) OF ... (NAME OF

466 HOMEOWNERS' ASSOCIATION) ..., A HOMEOWNERS' ASSOCIATION

467 AS SET FORTH IN THE HOMEOWNERS' ASSOCIATION DOCUMENTS

468 AND THE EXHIBITS ANNEXED THERETO AND FORMING A PART

Page 18 of 20

469	THEREOF, RECORDED IN OFFICIAL RECORDS BOOK, PAGE							
470	, OF THE PUBLIC RECORDS OF COUNTY, FLORIDA.							
471								
472	(or insert appropriate metes and bounds description							
473	here)							
474								
475	(signature of witness) (signature of authorized agent)							
476								
477	(signature of witness)							
478								
479	Sworn to (or affirmed) and subscribed before me this day of							
480	,(year), by(name of person making statement)							
481	(Signature of Notary Public)							
482	(Print, type, or stamp commissioned name of Notary Public)							
483	Personally Known OR Produced as identification.							
484								
485	(e)(d) If the parcel owner remains in possession of the							
486	parcel after a foreclosure judgment has been entered, the court							
487	may require the parcel owner to pay a reasonable rent for the							
488	parcel. If the parcel is rented or leased during the pendency of							
489	the foreclosure action, the association is entitled to the							
490	appointment of a receiver to collect the rent. The expenses of							
491	the receiver must be paid by the party who does not prevail in							
492	the foreclosure action.							
493	$\underline{\text{(f)}}$ (e) The association may purchase the parcel at the							
494	foreclosure sale and hold, lease, mortgage, or convey the							

Page 19 of 20

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CS/HB 7037	2014

495	parcel.								
496	Section	5.	This	act	shall	take	effect	July 1,	2014.

Page 20 of 20

CODING: Words $\frac{\text{stricken}}{\text{stricken}}$ are deletions; words $\frac{\text{underlined}}{\text{ore additions}}$ are additions.