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A bill to be entitled

An act relating to construction defects; providing legislative findings and declarations; providing definitions; providing for abatement of certain dwelling actions without prejudice under certain circumstances; requiring a notice of claim and an opportunity to repair certain construction defects under certain circumstances; providing procedures and requirements for claim resolution by homeowners and construction professionals; providing for notice and response; providing for offers to compromise and settle, inspections, or disputation of claims; providing for access to a dwelling to inspect for certain purposes; providing for testing; providing for offers to remedy construction defects at no cost or offers to compromise and settle certain claims; providing for refusal to remedy defects; providing for bringing actions against certain persons under certain circumstances; providing for barring certain further actions under certain circumstances; providing for access to a dwelling to remedy certain defects; specifying admissibility of certain failures to comply in certain court actions; providing for emergency repairs under certain circumstances; providing for tolling a time limitation; providing construction and application; requiring certain contractors, suppliers, and design professionals to provide to dwelling owners at the time of a sale, construction, or remodeling contract certain notice of rights to offer to cure construction defects; specifying notice form and contents; providing severability; providing application; providing an effective date.



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

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Section 1. Legislative findings and declarations.--The Legislature finds, declares, and determines that an effective alternative dispute resolution mechanism in certain construction defect matters should involve the claimant filing a notice of claim with the contractor, subcontractor, supplier, or design professional that the claimant asserts is responsible for the defect and provide the contractor, subcontractor, supplier, or design professional with an opportunity to resolve the claim without resort to further legal process.

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Section 2. Definitions.--As used in this act, the term:

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proceeding for damages or indemnity asserting a claim for damage to or loss of a dwelling or personal property caused by an alleged construction defect. The term "action" does not include

(1) "Action" means any civil action or arbitration

46 any civil action or arbitration proceeding asserting a claim for alleged personal injuries arising out of an alleged construction

48 <u>defect. However, if a civil action or arbitration proceeding</u>
49 asserts both a claim for damage to or loss of a dwelling or

personal property caused by an alleged construction defect and a

claim for alleged personal injuries arising out of an alleged

construction defect, the action may not proceed with respect to

the claim for damage to or loss of a dwelling or personal

property until the claimant first complies with the requirements

of this act.



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(2) "Association" has the same meaning as set forth in s. 718.103(2), s. 719.103(2), s. 720.301(7), or s. 723.025, Florida Statutes.

- (3) "Claimant" means a homeowner, including a subsequent purchaser, tenant, or association which asserts a claim against a contractor, subcontractor, supplier, or design professional concerning a construction defect. The term "claimant" does not include a contractor, subcontractor, supplier, or design professional.
- (4) "Construction defect" means a deficiency in, or a deficiency arising out of, the design, specifications, surveying, planning, supervision, observation of construction, or construction or remodeling of a dwelling resulting from:
- (a) Defective material, products, or components used in the construction or remodeling of a dwelling;
- (b) A violation of the applicable codes in effect at the time of construction or remodeling of a dwelling;
- (c) A failure of the design of a dwelling to meet the applicable professional standards of care at the time of governmental approval; or
- (d) A failure to construct or remodel a dwelling in accordance with accepted trade standards for good and workmanlike construction at the time of construction.
- (5) "Contractor" means any person, firm, partnership, corporation, association, or other organization that is legally engaged in the business of designing, developing, constructing, manufacturing, selling, or remodeling of a dwelling or attachments thereto.



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(6) "Design professional" means a person licensed in the state as an architect, interior designer, landscape architect, engineer, or surveyor.

- or modular home, duplex, or unit in a multifamily residential building designed for residential use and includes common areas and improvements that are owned or maintained by an association or by members of an association. A dwelling includes the systems, other components, and improvements that are part of a single-family house, manufactured or modular home, duplex, or multifamily residential building at the time of completion of construction.
- (8) "Service" means personal service or delivery by certified mail to the last known address of the addressee.
- (9) "Subcontractor" means a contractor who performs work on behalf of another contractor in the construction or remodeling of a dwelling.
- (10) "Supplier" means a person who provides materials, equipment, or other supplies for the construction or remodeling of a dwelling.

Section 3. Action; abatement. -- If a claimant files an action without first complying with the requirements of this act, on motion by a party to the action, the court shall abate the action, without prejudice, and the action may not proceed until the claimant has complied with the requirements of this act.

Section 4. Notice and opportunity to repair. --



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In every action brought against a contractor, subcontractor, supplier, or design professional related to an alleged construction defect, the claimant shall, no later than 60 days before filing an action, serve written notice of claim on the contractor, subcontractor, supplier, or design professional, as applicable. The notice of claim must describe the claim in reasonable detail sufficient to determine the general nature of each alleged construction defect and a description of the damage or loss resulting from each alleged construction defect, if known. The claimant shall endeavor to serve the notice of claim within 15 days after the claimant's discovery of the alleged construction defect but the claimant's failure to serve the notice of claim within that 15-day period does not bar the filing of an action under section 3 if the claimant complies with the other requirements of this section. (2) Within 5 business days after service of the notice of claim required in subsection (1), the contractor, subcontractor, supplier, or design professional may inspect the dwelling to assess each alleged construction defect. The claimant shall provide the contractor, subcontractor, supplier, or design professional and its contractors or agents reasonable access to the claimant's dwelling during normal working hours to inspect the dwelling to determine the nature and cause of each alleged construction defect and the nature and extent of any repairs or replacements necessary to remedy each alleged construction defect. The inspection may include destructive testing by mutual agreement. Prior to performing any destructive testing, the contractor, subcontractor, supplier, or design professional who



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desires to perform the testing shall notify the claimant in writing of the type of testing to be performed, the anticipated damage to the dwelling which will be caused by the testing, and the anticipated repairs that will be necessary to repair any damage to the dwelling caused by the testing. The contractor, subcontractor, supplier, or design professional performing the testing shall be responsible, at his or her sole expense, for repairing any damage to the dwelling caused by the testing.

- (3) Within 10 days after service of the notice of claim required in subsection (1), the contractor, subcontractor, supplier, or design professional shall forward a copy of the notice of claim to each subcontractor, supplier, and design professional who it reasonably believes is responsible for each alleged construction defect specified in the notice of claim and shall include with the notice the specific alleged construction defect for which it believes the subcontractor, supplier, or design professional is responsible. Each such subcontractor, supplier, and design professional may inspect the dwelling as provided in subsection (2) within 5 business days after service of a copy of the notice of claim to such subcontractor, supplier, or design professional under this subsection.
- (4) Within 5 business days following service of a copy of the notice of claim to a subcontractor, supplier, or design professional pursuant to subsection (3), each subcontractor, supplier, or design professional who has been served a copy of the notice of claim shall serve a written response to the contractor, subcontractor, supplier, or design professional who served a copy of the notice of claim. The written response shall



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include a report of the scope of the inspection of the dwelling, if any, the findings and results of the inspection, a statement of whether the subcontractor, supplier, or design professional is willing to make repairs to the dwelling or whether he or she disputes the claim, a description of any repairs he or she is willing to make to remedy the alleged construction defect, and a timetable for the completion of such repairs.

- (5) Within 25 days after service of the notice of claim required in subsection (1), each contractor, subcontractor, supplier, or design professional that has received a notice of claim from the claimant shall serve a written response on the claimant. The written response must provide:
- (a) A written offer to remedy the alleged construction defect at no cost to the claimant, including a report of the scope of the inspection, the findings and results of the inspection, a detailed description of the repairs necessary to remedy the alleged construction defect, and a timetable for the completion of such repairs;
- (b) A written offer to compromise and settle the claim by monetary payment to be paid within 30 days after the claimant's acceptance of the offer; or
- (c) A written statement that the contractor, subcontractor, supplier, or design professional disputes the claim and will not proceed further to remedy the alleged construction defect or to compromise and settle the claim.

If the contractor, subcontractor, supplier, or design professional's written response offers to remedy the alleged



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construction defect pursuant to paragraph (a) or compromise and settle the claim by monetary payment pursuant to paragraph (b), the written response shall contain a statement that the claimant shall be deemed to have accepted the offer if, within 15 days, or 45 days for an association, following service of such written response, the claimant does not serve a written rejection of the offer on the contractor, subcontractor, supplier, or design professional.

- (6) If the contractor, subcontractor, supplier, or design professional disputes the claim pursuant to paragraph (5)(c) and will not remedy the alleged construction defect or compromise and settle the claim, or does not respond to the claimant's notice of claim within the time stated in subsection (5), the claimant may, without further notice, proceed with an action against the contractor, subcontractor, supplier, or design professional for the claim described in the notice of claim.
- (7) If the claimant intends to reject a settlement offer made by the contractor, subcontractor, supplier, or design professional pursuant to paragraph (5)(a) or paragraph (5)(b), the claimant shall serve written notice of the claimant's rejection on the contractor, subcontractor, supplier, or design professional within 15 days, or 45 days for an association, following service of the settlement offer. The claimant's rejection shall contain the settlement offer with the word "rejected" printed on the settlement offer. After service of the rejection required by this subsection, the claimant may proceed with an action against the contractor, subcontractor, supplier,



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or design professional for the claims described in the notice of claim required by subsection (1) without further notice.

- (8) If the claimant accepts the offer of a contractor, subcontractor, supplier, or design professional made pursuant to paragraph (5)(a) or paragraph (5)(b) and the contractor, subcontractor, supplier, or design professional does not proceed to make the monetary payment or repair the alleged construction defect within the agreed timetable and in the agreed manner, the claimant may, without further notice, proceed with an action against the contractor, subcontractor, supplier, or design professional for the claim described in the notice of claim required by subsection (1). If a claimant accepts a contractor, subcontractor, supplier, or design professional's offer made pursuant to paragraph (5)(a) or paragraph (5)(b) and the contractor, subcontractor, supplier, or design professional proceeds to make the monetary payment or repair the alleged construction defect within the agreed time and in the agreed manner, the claimant shall thereafter be barred from bringing or proceeding with an action against the contractor, subcontractor, supplier, or design professional for the claim described in the notice of claim required by subsection (1).
- (9) If the claimant accepts the offer of a contractor, subcontractor, supplier, or design professional to repair an alleged construction defect pursuant to paragraph (5)(a), the claimant shall provide the contractor, subcontractor, supplier, or design professional and its contractors or other agents reasonable access to the claimant's dwelling during normal



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working hours to perform and complete the repair by the agreed timetable.

- (10) The failure of a claimant or a contractor, subcontractor, supplier, or design professional to follow the procedures set forth in this section is admissible in an action. However, this section does not prohibit or limit the claimant from making any necessary emergency repairs to the claimant's dwelling. In addition, the offer of a contractor, subcontractor, supplier, or design professional to remedy an alleged construction defect or to compromise and settle the claim by monetary payment pursuant to paragraph (5)(a) or paragraph (5)(b) does not constitute an admission of liability with respect to the alleged construction defect.
- (11) A claimant's written notice of claim under subsection
 (1) tolls the applicable statute of limitations until the later
 of:
- (a) Sixty days after the contractor, subcontractor, supplier, or design professional receives the notice of claim; or
- (b) Thirty days after the end of the repair timetable stated in the offer of a contractor, subcontractor, supplier, or design professional made pursuant to paragraph (5)(a) if the claimant has accepted the offer. By stipulation of the parties, the foregoing period may be extended and the statute of limitations is tolled during the extension.
- (12) The procedures set forth in this section apply to each alleged construction defect. However, a claimant may



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include multiple alleged construction defects in one notice of claim pursuant to subsection (1).

- (13) Sections 1 through 4 of this act do not:
- (a) Bar or limit any rights including, without limitation, the right of specific performance to the extent such right would be available to the claimant in the absence of this act, causes of action, or theories on which liability may be based except as specifically provided in this act;
- (b) Bar or limit any defense, or create any new defense, except as specifically provided in this act; or
- (c) Create any new rights, causes of action, or theories on which liability may be based.
- (14) To the extent that an arbitration clause in a contract for the sale, design, construction, or remodeling of a dwelling conflicts with this section, this section shall control.
 - Section 5. Contract of sale; provisions.--
- (1) Upon entering into a contract to sell, design, construct, or remodel a dwelling, the contractor, subcontractor, supplier, or design professional shall provide notice to the owner of the dwelling of the contractor, subcontractor, supplier, or design professional's right to offer to cure construction defects or pay to settle alleged construction defects before a claimant may commence an action against the contractor, subcontractor, supplier, or design professional.

 Such notice must be conspicuous and may be included as part of the underlying contract.



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303	(2) The notice required by subsection (1) must be in
304	substantially the following form:
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306	FLORIDA LAW CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW
307	BEFORE YOU MAY FILE A LAWSUIT FOR DEFECTIVE CONSTRUCTION AGAINST
308	A CONTRACTOR, SUBCONTRACTOR, SUPPLIER, OR DESIGN PROFESSIONAL
309	FOR AN ALLEGED CONSTRUCTION DEFECT IN YOUR HOME. SIXTY DAYS
310	BEFORE YOU FILE YOUR LAWSUIT, YOU MUST DELIVER TO THE
311	CONTRACTOR, SUBCONTRACTOR, SUPPLIER, OR DESIGN PROFESSIONAL A
312	WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE
313	DEFECTIVE AND PROVIDE YOUR CONTRACTOR AND ANY SUBCONTRACTORS,
314	SUPPLIERS, OR DESIGN PROFESSIONALS THE OPPORTUNITY TO INSPECT
315	THE ALLEGED CONSTRUCTION DEFECTS AND MAKE AN OFFER TO REPAIR OR
316	PAY FOR THE ALLEGED CONSTRUCTION DEFECTS. YOU ARE NOT OBLIGATED
317	TO ACCEPT ANY OFFER MADE BY THE CONTRACTOR OR ANY
318	SUBCONTRACTORS, SUPPLIERS, OR DESIGN PROFESSIONALS. THERE ARE
319	STRICT DEADLINES AND PROCEDURES UNDER FLORIDA LAW.
320	Section 6. If any provision of this act or the application
321	thereof to any person or circumstance is held invalid, the
322	invalidity does not affect other provisions or applications of
323	this act which can be given effect without the invalid provision
324	or application, and to this end the provisions of this act are
325	declared severable.
326	Section 7. This act shall take effect upon becoming a law
327	and shall apply to all actions filed on or after the effective
328	date
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