

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 1990

SPONSOR: Senator Aronberg

SUBJECT: Condominiums

DATE: March 11, 2004

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Sumner	Imhof	RI	Favorable
2.			JU	
3.				
4.				
5.				
6.				

I. Summary:

The bill amends s. 718.503(2)(a) and (c), F.S., of the Condominium Act, to provide that a resale purchaser is entitled to receive from a nondeveloper, a question and answer sheet upon entering into a contract for sale and to require related disclosures in the resale purchase contract.

This bill substantially amends section 718.503(2) of the Florida Statutes.

II. Present Situation:

Under current law, only the developer of a residential condominium is required to provide the question and answer sheet¹ to purchasers. In 2002, a legislative change deleted this requirement for nondevelopers.²

Section 718.503(2)(a), F.S., provides that a nondeveloper disclose to each prospective purchaser, at the seller's expense, a current copy of the declaration of condominium, articles of incorporation of the association, bylaws, rules of the association, and a copy of the financial information required by s. 718.111, F.S.

Section 718.503(2)(c), F.S., provides two disclosures in the resale purchase contract entered into after July 1, 1992. One disclosure indicates that the resale purchaser acknowledges receipt of the disclosure documents required under s. 718.503(2)(a), F.S., more than three days before contract

¹ The question and answer sheet (also referred to as the "Frequently Asked Question and Answer Document") is a disclosure document containing information important to a purchase decision including voting rights, use restrictions including leasing restrictions, certain additional use fees, assessment amounts, and pending court cases involving association liability over \$100,000.00. See s. 718.504, F.S.

² ch. 2002-27, s. 14, L.O.F.

execution. The other disclosure gives the resale purchaser a rescission period of three days after contract execution, excluding Saturdays, Sundays and legal holidays, and receipt of the disclosure documents required by s.718.503(2)(a), F.S., if requested in writing.

III. Effect of Proposed Changes:

Section 718.503(2)(a), F.S., is amended to require that a nondeveloper condominium unit owner who has entered into a contract for sale, include with the documents to the prospective purchaser, at the seller's expense, the document entitled "Frequently Asked Questions and Answers" required by s. 718.504, F.S.

Section 718.503(2)(c)1., F.S., is amended to add the "Frequently Asked Questions and Answers" document to the list of documents in the resale purchase contract disclosures which the buyer acknowledges receiving more than three days, excluding Saturdays, Sundays and legal holidays, before contract execution.

Section 718.503(2)(c)2., F.S., is amended to add the "Frequently Asked Questions and Answers" document and a copy of the most recent year-end financial information to the list of documents in the resale purchase contract disclosure clause which provides for a rescission period of three days, excluding Saturdays, Sundays and legal holidays, after contract execution.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

According to the Department of Business and Professional Regulation, the Division of Condominiums (division) may receive additional complaints related to resale purchasers

who did not receive documents which they were entitled to. However, the department points out that the statute grants the purchaser private remedies and does not authorize the division to initiate enforcement of contract remedies.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
