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HB 113, Engrossed 2

2005 Legislature

1 A bill to be entitled

2 An act relating to construction contracting; amending s.
3 255.05, F.S.; making certain restrictions in bonds issued
4 for public works projects unenforceable; amending s.
5 489.118, F.S.; postponing a date for submitting an
6 application for a certificate as a registered contractor;
7 amending ss. 489.129 and 489.533, F.S.; increasing an
8 administrative fine under certain disciplinary proceeding
9 provisions; amending s. 713.015, F.S.; revising form
10 criteria for a direct contract provision; preserving lien
11 and bond rights of certain persons; specifying
12 nonapplication to certain contractors or construction
13 professionals; amending s. 713.02, F.S.; protecting the
14 rights of certain persons to enforce certain contract,
15 lien, or bond remedies or contractual obligations under
16 certain circumstances; precluding certain defenses;
17 amending s. 713.04, F.S.; revising certain final payment
18 requirements; amending s. 713.08, F.S.; requiring a claim
19 of lien to be served on an owner; amending s. 713.13,
20 F.S.; revising provisions authorizing use of certain
21 payment bonds to transfer certain recorded liens;
22 specifying application of certain notice requirements to
23 certain claims; revising time limits for serving certain
24 required notices; amending s. 713.23, F.S.; clarifying
25 provisions relating to payment bonds; amending s. 713.24,
26 F.S.; providing construction to preserve county court
27 jurisdiction over certain transfer bond claims for
28 nonpayment; preserving certain lien rights when filing a

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

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29 | transfer bond after commencing certain lien enforcement
30 | proceedings; amending s. 713.345, F.S.; revising criteria
31 | for certain criminal penalties for misapplication of
32 | construction funds; amending s. 713.3471, F.S.; revising a
33 | provision requiring a lender to provide notice to a
34 | property owner when making a disbursement on a
35 | construction loan secured by residential property;
36 | specifying nonapplication; providing an effective date.

37

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

39

40 | Section 1. Paragraph (a) of subsection (1) of section
41 | 255.05, Florida Statutes, is amended to read:

42 | 255.05 Bond of contractor constructing public buildings;
43 | form; action by materialmen.--

44 | (1) (a) Any person entering into a formal contract with the
45 | state or any county, city, or political subdivision thereof, or
46 | other public authority, for the construction of a public
47 | building, for the prosecution and completion of a public work,
48 | or for repairs upon a public building or public work shall be
49 | required, before commencing the work or before recommencing the
50 | work after a default or abandonment, to execute, deliver to the
51 | public owner, and record in the public records of the county
52 | where the improvement is located, a payment and performance bond
53 | with a surety insurer authorized to do business in this state as
54 | surety. A public entity may not require a contractor to secure a
55 | surety bond under this section from a specific agent or bonding
56 | company. The bond must state on its front page: the name,

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57 | principal business address, and phone number of the contractor,
58 | the surety, the owner of the property being improved, and, if
59 | different from the owner, the contracting public entity; the
60 | contract number assigned by the contracting public entity; and a
61 | description of the project sufficient to identify it, such as a
62 | legal description or the street address of the property being
63 | improved, and a general description of the improvement. Such
64 | bond shall be conditioned upon the contractor's performance of
65 | the construction work in the time and manner prescribed in the
66 | contract and promptly making payments to all persons defined in
67 | s. 713.01 who furnish labor, services, or materials for the
68 | prosecution of the work provided for in the contract. Any
69 | claimant may apply to the governmental entity having charge of
70 | the work for copies of the contract and bond and shall thereupon
71 | be furnished with a certified copy of the contract and bond. The
72 | claimant shall have a right of action against the contractor and
73 | surety for the amount due him or her, including unpaid finance
74 | charges due under the claimant's contract. Such action shall not
75 | involve the public authority in any expense. When such work is
76 | done for the state and the contract is for \$100,000 or less, no
77 | payment and performance bond shall be required. At the
78 | discretion of the official or board awarding such contract when
79 | such work is done for any county, city, political subdivision,
80 | or public authority, any person entering into such a contract
81 | which is for \$200,000 or less may be exempted from executing the
82 | payment and performance bond. When such work is done for the
83 | state, the Secretary of the Department of Management Services
84 | may delegate to state agencies the authority to exempt any

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85 | person entering into such a contract amounting to more than
 86 | \$100,000 but less than \$200,000 from executing the payment and
 87 | performance bond. In the event such exemption is granted, the
 88 | officer or officials shall not be personally liable to persons
 89 | suffering loss because of granting such exemption. The
 90 | Department of Management Services shall maintain information on
 91 | the number of requests by state agencies for delegation of
 92 | authority to waive the bond requirements by agency and project
 93 | number and whether any request for delegation was denied and the
 94 | justification for the denial. Any provision in a payment bond
 95 | furnished for public work contracts as provided by this
 96 | subsection which restricts the classes of persons as defined in
 97 | s. 713.01 protected by the bond or the venue of any proceeding
 98 | relating to such bond is unenforceable.

99 | Section 2. Section 489.118, Florida Statutes, is amended
 100 | to read:

101 | 489.118 Certification of registered contractors;
 102 | grandfathering provisions.--The board shall, upon receipt of a
 103 | completed application and appropriate fee, issue a certificate
 104 | in the appropriate category to any contractor registered under
 105 | this part who makes application to the board and can show that
 106 | he or she meets each of the following requirements:

107 | (1) Currently holds a valid registered local license in
 108 | one of the contractor categories defined in s. 489.105(3)(a)-
 109 | (p).

110 | (2) Has, for that category, passed a written examination
 111 | that the board finds to be substantially similar to the
 112 | examination required to be licensed as a certified contractor

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113 | under this part. For purposes of this subsection, a written,
 114 | proctored examination such as that produced by the National
 115 | Assessment Institute, Block and Associates, NAI/Block, Experior
 116 | Assessments, Professional Testing, Inc., or Assessment Systems,
 117 | Inc., shall be considered to be substantially similar to the
 118 | examination required to be licensed as a certified contractor.
 119 | The board may not impose or make any requirements regarding the
 120 | nature or content of these cited examinations.

121 | (3) Has at least 5 years of experience as a contractor in
 122 | that contracting category, or as an inspector or building
 123 | administrator with oversight over that category, at the time of
 124 | application. For contractors, only time periods in which the
 125 | contractor license is active and the contractor is not on
 126 | probation shall count toward the 5 years required by this
 127 | subsection.

128 | (4) Has not had his or her contractor's license revoked at
 129 | any time, had his or her contractor's license suspended within
 130 | the last 5 years, or been assessed a fine in excess of \$500
 131 | within the last 5 years.

132 | (5) Is in compliance with the insurance and financial
 133 | responsibility requirements in s. 489.115(5).
 134 |

135 | Applicants wishing to obtain a certificate pursuant to this
 136 | section must make application by November 1, 2005 ~~2004~~.

137 | Section 3. Subsection (1) of section 489.129, Florida
 138 | Statutes, is amended to read:

139 | 489.129 Disciplinary proceedings.--

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140 (1) The board may take any of the following actions
141 against any certificateholder or registrant: place on probation
142 or reprimand the licensee, revoke, suspend, or deny the issuance
143 or renewal of the certificate, registration, or certificate of
144 authority, require financial restitution to a consumer for
145 financial harm directly related to a violation of a provision of
146 this part, impose an administrative fine not to exceed \$10,000
147 ~~\$5,000~~ per violation, require continuing education, or assess
148 costs associated with investigation and prosecution, if the
149 contractor, financially responsible officer, or business
150 organization for which the contractor is a primary qualifying
151 agent, a financially responsible officer, or a secondary
152 qualifying agent responsible under s. 489.1195 is found guilty
153 of any of the following acts:

154 (a) Obtaining a certificate, registration, or certificate
155 of authority by fraud or misrepresentation.

156 (b) Being convicted or found guilty of, or entering a plea
157 of nolo contendere to, regardless of adjudication, a crime in
158 any jurisdiction which directly relates to the practice of
159 contracting or the ability to practice contracting.

160 (c) Violating any provision of chapter 455.

161 (d) Performing any act which assists a person or entity in
162 engaging in the prohibited uncertified and unregistered practice
163 of contracting, if the certificateholder or registrant knows or
164 has reasonable grounds to know that the person or entity was
165 uncertified and unregistered.

166 (e) Knowingly combining or conspiring with an uncertified
167 or unregistered person by allowing his or her certificate,

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168 registration, or certificate of authority to be used by the
 169 uncertified or unregistered person with intent to evade the
 170 provisions of this part. When a certificateholder or registrant
 171 allows his or her certificate or registration to be used by one
 172 or more business organizations without having any active
 173 participation in the operations, management, or control of such
 174 business organizations, such act constitutes prima facie
 175 evidence of an intent to evade the provisions of this part.

176 (f) Acting in the capacity of a contractor under any
 177 certificate or registration issued hereunder except in the name
 178 of the certificateholder or registrant as set forth on the
 179 issued certificate or registration, or in accordance with the
 180 personnel of the certificateholder or registrant as set forth in
 181 the application for the certificate or registration, or as later
 182 changed as provided in this part.

183 (g) Committing mismanagement or misconduct in the practice
 184 of contracting that causes financial harm to a customer.

185 Financial mismanagement or misconduct occurs when:

186 1. Valid liens have been recorded against the property of
 187 a contractor's customer for supplies or services ordered by the
 188 contractor for the customer's job; the contractor has received
 189 funds from the customer to pay for the supplies or services; and
 190 the contractor has not had the liens removed from the property,
 191 by payment or by bond, within 75 days after the date of such
 192 liens;

193 2. The contractor has abandoned a customer's job and the
 194 percentage of completion is less than the percentage of the
 195 total contract price paid to the contractor as of the time of

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196 abandonment, unless the contractor is entitled to retain such
197 funds under the terms of the contract or refunds the excess
198 funds within 30 days after the date the job is abandoned; or

199 3. The contractor's job has been completed, and it is
200 shown that the customer has had to pay more for the contracted
201 job than the original contract price, as adjusted for subsequent
202 change orders, unless such increase in cost was the result of
203 circumstances beyond the control of the contractor, was the
204 result of circumstances caused by the customer, or was otherwise
205 permitted by the terms of the contract between the contractor
206 and the customer.

207 (h) Being disciplined by any municipality or county for an
208 act or violation of this part.

209 (i) Failing in any material respect to comply with the
210 provisions of this part or violating a rule or lawful order of
211 the board.

212 (j) Abandoning a construction project in which the
213 contractor is engaged or under contract as a contractor. A
214 project may be presumed abandoned after 90 days if the
215 contractor terminates the project without just cause or without
216 proper notification to the owner, including the reason for
217 termination, or fails to perform work without just cause for 90
218 consecutive days.

219 (k) Signing a statement with respect to a project or
220 contract falsely indicating that the work is bonded; falsely
221 indicating that payment has been made for all subcontracted
222 work, labor, and materials which results in a financial loss to
223 the owner, purchaser, or contractor; or falsely indicating that

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224 workers' compensation and public liability insurance are
 225 provided.

226 (l) Committing fraud or deceit in the practice of
 227 contracting.

228 (m) Committing incompetency or misconduct in the practice
 229 of contracting.

230 (n) Committing gross negligence, repeated negligence, or
 231 negligence resulting in a significant danger to life or
 232 property.

233 (o) Proceeding on any job without obtaining applicable
 234 local building department permits and inspections.

235 (p) Intimidating, threatening, coercing, or otherwise
 236 discouraging the service of a notice to owner under part I of
 237 chapter 713 or a notice to contractor under chapter 255 or part
 238 I of chapter 713.

239 (q) Failing to satisfy within a reasonable time, the terms
 240 of a civil judgment obtained against the licensee, or the
 241 business organization qualified by the licensee, relating to the
 242 practice of the licensee's profession.

243
 244 For the purposes of this subsection, construction is considered
 245 to be commenced when the contract is executed and the contractor
 246 has accepted funds from the customer or lender. A contractor
 247 does not commit a violation of this subsection when the
 248 contractor relies on a building code interpretation rendered by
 249 a building official or person authorized by s. 553.80 to enforce
 250 the building code, absent a finding of fraud or deceit in the
 251 practice of contracting, or gross negligence, repeated

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252 negligence, or negligence resulting in a significant danger to
 253 life or property on the part of the building official, in a
 254 proceeding under chapter 120.

255 Section 4. Paragraph (c) of subsection (2) of section
 256 489.533, Florida Statutes, is amended to read:

257 489.533 Disciplinary proceedings.--

258 (2) When the board finds any applicant, contractor, or
 259 business organization for which the contractor is a primary
 260 qualifying agent or secondary qualifying agent responsible under
 261 s. 489.522 guilty of any of the grounds set forth in subsection
 262 (1), it may enter an order imposing one or more of the following
 263 penalties:

264 (c) Imposition of an administrative fine not to exceed
 265 \$10,000 ~~\$5,000~~ for each count or separate offense.

266 Section 5. Section 713.015, Florida Statutes, is amended
 267 to read:

268 713.015 Mandatory provisions for direct contracts.--Any
 269 direct contract between an owner and a contractor, related to
 270 improvements to real property consisting of single or multiple
 271 family dwellings up to and including four units, must contain
 272 the following provision printed in no less than 14-point ~~18-~~
 273 ~~point~~, capitalized, boldfaced type on the front page of the
 274 contract:

275
 276 ACCORDING TO FLORIDA'S CONSTRUCTION LIEN LAW (SECTIONS 713.001-
 277 713.37, FLORIDA STATUTES), THOSE WHO WORK ON YOUR PROPERTY OR
 278 PROVIDE MATERIALS AND ARE NOT PAID IN FULL HAVE A RIGHT TO
 279 ENFORCE THEIR CLAIM FOR PAYMENT AGAINST YOUR PROPERTY. ~~THIS~~

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280 ~~CLAIM IS KNOWN AS A CONSTRUCTION LIEN.~~ IF YOUR CONTRACTOR OR A
 281 SUBCONTRACTOR FAILS TO PAY SUBCONTRACTORS, SUB-SUBCONTRACTORS,
 282 OR MATERIAL SUPPLIERS ~~OR NEGLECTS TO MAKE OTHER LEGALLY REQUIRED~~
 283 ~~PAYMENTS~~, THE PEOPLE WHO ARE OWED MONEY MAY LOOK TO YOUR
 284 PROPERTY FOR PAYMENT, EVEN IF YOU HAVE ALREADY PAID YOUR
 285 CONTRACTOR IN FULL. IF YOU FAIL TO PAY YOUR CONTRACTOR, YOUR
 286 CONTRACTOR MAY ALSO HAVE A LIEN ON YOUR PROPERTY. THIS MEANS IF
 287 A LIEN IS FILED YOUR PROPERTY COULD BE SOLD AGAINST YOUR WILL TO
 288 PAY FOR LABOR, MATERIALS, OR OTHER SERVICES THAT YOUR CONTRACTOR
 289 OR A SUBCONTRACTOR MAY HAVE FAILED TO PAY. TO PROTECT YOURSELF,
 290 YOU SHOULD STIPULATE IN THIS CONTRACT THAT BEFORE ANY PAYMENT IS
 291 MADE, YOUR CONTRACTOR IS REQUIRED TO PROVIDE YOU WITH A WRITTEN
 292 RELEASE OF LIEN FROM ANY PERSON OR COMPANY THAT HAS PROVIDED TO
 293 YOU A "NOTICE TO OWNER." FLORIDA'S CONSTRUCTION LIEN LAW IS
 294 COMPLEX AND IT IS RECOMMENDED THAT ~~WHENEVER A SPECIFIC PROBLEM~~
 295 ~~ARISES~~, YOU CONSULT AN ATTORNEY.

296
 297 Nothing in this section shall be construed to adversely affect
 298 the lien and bond rights of lienors who are not in privity with
 299 the owner. This section does not apply when the owner is a
 300 contractor licensed under chapter 489 or is a person who created
 301 parcels or offers parcels for sale or lease in the ordinary
 302 course of business.

303 Section 6. Subsection (7) of section 713.02, Florida
 304 Statutes, is amended to read:

305 713.02 Types of lienors and exemptions.--

306 (7) Notwithstanding any other provision of this part, no
 307 lien shall exist in favor of any contractor, subcontractor, or

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308 sub-subcontractor who is unlicensed as provided in s. 489.128 or
 309 s. 489.532. Notwithstanding any other provision of this part, if
 310 a contract is rendered unenforceable by an unlicensed
 311 contractor, subcontractor, or sub-subcontractor pursuant to s.
 312 489.128 or s. 489.532, such unenforceability shall not affect
 313 the rights of any other persons to enforce contract, lien, or
 314 bond remedies and shall not affect the obligations of a surety
 315 that has provided a bond on behalf of the unlicensed contractor,
 316 subcontractor, or sub-subcontractor. It shall not be a defense
 317 to any claim on a bond or indemnity agreement that the principal
 318 or indemnitor is unlicensed as provided in s. 489.128 or s.
 319 489.532.

320 Section 7. Subsection (3) of section 713.04, Florida
 321 Statutes, is amended, and subsection (4) is added to said
 322 section, to read:

323 713.04 Subdivision improvements.--

324 (3) The owner shall not pay any money on account of a
 325 direct contract before actual furnishing of labor and services
 326 or materials for subdivision improvements. Any ~~The~~ payment not
 327 complying with such requirement shall not qualify as a proper
 328 payment under this chapter ~~section~~.

329 (4) The owner shall make final payment on account of a
 330 direct contract only after the contractor complies with s.
 331 713.06(3)(d). Any payment not complying with such requirement
 332 shall not qualify as a proper payment under this chapter.

333 Section 8. Paragraph (c) of subsection (4) of section
 334 713.08, Florida Statutes, is amended to read:

335 713.08 Claim of lien.--

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336 (4)
 337 (c) The claim of lien shall be served on the owner.
 338 Failure to serve any claim of lien in the manner provided in s.
 339 713.18 before recording or within 15 days after recording shall
 340 render the claim of lien voidable to the extent that the failure
 341 or delay is shown to have been prejudicial to any person
 342 entitled to rely on the service.

343 Section 9. Paragraph (e) of subsection (1) of section
 344 713.13, Florida Statutes, is amended to read:

345 713.13 Notice of commencement.--

346 (1)

347 (e) A copy of any payment bond must be attached at the
 348 time of recordation of the notice of commencement. The failure
 349 to attach a copy of the bond to the notice of commencement when
 350 the notice is recorded negates the exemption provided in s.
 351 713.02(6). However, if ~~such~~ a payment bond under s. 713.23
 352 exists but was ~~is~~ not attached at the time of recordation of the
 353 notice of commencement, the bond may be used to transfer any
 354 recorded lien of a lienor except that of the contractor by the
 355 recordation and service of a notice of bond pursuant to s.
 356 713.23(2). The notice requirements of s. 713.23 apply to any
 357 claim against the bond; however, the time limits for serving any
 358 required notices shall begin running from the later of the time
 359 specified in s. 713.23 or the date the notice of bond is served
 360 on the lienor recorded, the bond may be used as a transfer bond
 361 pursuant to s. 713.24.

362 Section 10. Paragraph (e) of subsection (1) of section
 363 713.23, Florida Statutes, is amended to read:

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364 713.23 Payment bond.--
 365 (1)
 366 (e) No action for the labor or materials or supplies may
 367 be instituted or prosecuted against the contractor or surety
 368 unless both notices have been given. No action shall be
 369 instituted or prosecuted against the contractor or against the
 370 surety on the bond under this section after 1 year from the
 371 performance of the labor or completion of delivery of the
 372 materials and supplies. The time period for bringing an action
 373 against the contractor or surety on the bond shall be measured
 374 from the last day of furnishing labor, services, or materials by
 375 the lienor and shall not be measured by other standards, such as
 376 the issuance of a certificate of occupancy or the issuance of a
 377 certificate of substantial completion. A contractor or the
 378 contractor's agent or attorney may elect to shorten the
 379 prescribed time within which an action to enforce any claim
 380 against a payment bond provided under ~~pursuant to~~ this section
 381 or s. 713.245 may be commenced at any time after a notice of
 382 nonpayment, if required, has been served for the claim by
 383 recording in the clerk's office a notice in substantially the
 384 following form:

385
 386 NOTICE OF CONTEST OF CLAIM
 387 AGAINST PAYMENT BOND

388
 389 To: (Name and address of lienor)

390 You are notified that the undersigned contests your notice
 391 of nonpayment, dated _____, _____, and served on the undersigned

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392 | on _____, _____, and that the time within which you may file
 393 | suit to enforce your claim is limited to 60 days from the date
 394 | of service of this notice.

395 |
 396 | DATED on _____, _____.

397 |
 398 | Signed: (Contractor or Attorney)

399 |
 400 |
 401 | The claim of any lienor upon whom the ~~such~~ notice is served and
 402 | who fails to institute a suit to enforce his or her claim
 403 | against the payment bond within 60 days after service of the
 404 | ~~such~~ notice shall be extinguished automatically. The clerk shall
 405 | mail a copy of the notice of contest to the lienor at the
 406 | address shown in the notice of nonpayment or most recent
 407 | amendment thereto and shall certify to such service on the face
 408 | of the ~~such~~ notice and record the notice. Service is complete
 409 | upon mailing.

410 | Section 11. Subsections (3) and (4) of section 713.24,
 411 | Florida Statutes, are amended to read:

412 | 713.24 Transfer of liens to security.--

413 | (3) Any party having an interest in such security or the
 414 | property from which the lien was transferred may at any time,
 415 | and any number of times, file a complaint in chancery in the
 416 | circuit court of the county where such security is deposited, or
 417 | file a motion in a pending action to enforce a lien, for an
 418 | order to require additional security, reduction of security,
 419 | change or substitution of sureties, payment of discharge

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420 thereof, or any other matter affecting said security. If the
421 court finds that the amount of the deposit or bond in excess of
422 the amount claimed in the claim of lien is insufficient to pay
423 the lienor's attorney's fees and court costs incurred in the
424 action to enforce the lien, the court must increase the amount
425 of the cash deposit or lien transfer bond. Nothing in this
426 section shall be construed to vest exclusive jurisdiction in the
427 circuit courts over transfer bond claims for nonpayment of an
428 amount within the monetary jurisdiction of the county courts.

429 (4) If a proceeding to enforce a transferred lien is not
430 commenced within the time specified in s. 713.22 or if it
431 appears that the transferred lien has been satisfied of record,
432 the clerk shall return said security upon request of the person
433 depositing or filing the same, or the insurer. If a proceeding
434 to enforce a lien is commenced in a court of competent
435 jurisdiction within the time specified in s. 713.22 and, during
436 such proceeding, the lien is transferred pursuant to this
437 section or s. 713.13(1)(e), an action commenced within 1 year
438 after the transfer, unless otherwise shortened by operation of
439 law, in the same county or circuit court to recover against the
440 security shall be deemed to have been brought as of the date of
441 filing the action to enforce the lien, and the court shall have
442 jurisdiction over the action.

443 Section 12. Paragraph (b) of subsection (1) of section
444 713.345, Florida Statutes, is amended to read:

445 713.345 Moneys received for real property improvements;
446 penalty for misapplication.--

447 (1)

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448 (b) Any person who knowingly and intentionally fails to
 449 comply with paragraph (a) is guilty of misapplication of
 450 construction funds, punishable as follows:

451 1. If the amount of payments misapplied has an aggregate
 452 value of \$100,000 or more, the violator is guilty of a felony of
 453 the first degree, punishable as provided in s. 775.082, s.
 454 775.083, or s. 775.084.

455 2. If the amount of payments misapplied has an aggregate
 456 value of \$1,000 ~~\$20,000~~ or more but less than \$100,000, the
 457 violator is guilty of a felony of the second degree, punishable
 458 as provided in s. 775.082, s. 775.083, or s. 775.084.

459 3. If the amount of payments misapplied has an aggregate
 460 value of less than \$1,000 ~~\$20,000~~, the violator is guilty of a
 461 felony of the third degree, punishable as provided in s.
 462 775.082, s. 775.083, or s. 775.084.

463 Section 13. Subsection (1) of section 713.3471, Florida
 464 Statutes, is amended to read:

465 713.3471 Lender responsibilities with construction
 466 loans.--

467 (1) Prior to a lender making any loan disbursement on any
 468 construction loan secured by residential real property directly
 469 to the owner, which, for purposes of this subsection, means only
 470 a natural person, into the owner's account or accounts, or
 471 jointly to the owner and any other party, the lender shall mail,
 472 deliver by electronic mail or other electronic format or
 473 facsimile, or personally deliver give the following written
 474 notice to the borrowers in bold type larger than any other type
 475 on the page:

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476

477

WARNING!

478

479

YOUR LENDER IS MAKING A LOAN DISBURSEMENT DIRECTLY TO YOU

480

AS THE BORROWER, OR JOINTLY TO YOU AND ANOTHER PARTY. TO

481

PROTECT YOURSELF FROM HAVING TO PAY TWICE FOR THE SAME

482

LABOR, SERVICES, OR MATERIALS USED IN MAKING THE

483

IMPROVEMENTS TO YOUR PROPERTY, BE SURE THAT YOU REQUIRE

484

YOUR CONTRACTOR TO GIVE YOU LIEN RELEASES FROM EACH LIENOR

485

WHO HAS SENT YOU A NOTICE TO OWNER EACH TIME YOU MAKE A

486

PAYMENT TO YOUR CONTRACTOR.

487

488

This subsection does not apply when the owner is a contractor

489

licensed under chapter 489 or is a person who creates parcels or

490

offer parcels for sale or lease in the ordinary course of

491

business.

492

Section 14. This act shall take effect October 1, 2005.