Florida Senate - 2007

CS for SB's 2730 & 1596

 $\ensuremath{\textbf{By}}$ the Committee on Regulated Industries; and Senators Joyner and Constantine

580-2332-07

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| 1 | A bill to be entitled |
| 2 | An act relating to residential tenancies; |
| 3 | amending s. 83.43, F.S.; revising and providing |
| 4 | definitions; amending s. 83.595, F.S.; allowing |
| 5 | a landlord to terminate a rental agreement and |
| 6 | recover liquidated damages or charge the tenant |
| 7 | an early termination fee for breach of the |
| 8 | agreement, or both, under certain |
| 9 | circumstances; requiring the tenant to indicate |
| 10 | acceptance of an early termination fee or |
| 11 | liquidated-damages provision in the rental |
| 12 | agreement in order for the provision to take |
| 13 | effect; providing a limit on the combined total |
| 14 | of damages and fee; providing liability of the |
| 15 | tenant for rent, other charges otherwise due, |
| 16 | and rental concessions; providing an effective |
| 17 | date. |
| 18 | |
| 19 | Be It Enacted by the Legislature of the State of Florida: |
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| 21 | Section 1. Subsection (7) of section 83.43, Florida |
| 22 | Statutes, is amended, and subsection (17) is added to that |
| 23 | section, to read: |
| 24 | 83.43 DefinitionsAs used in this part, the |
| 25 | following words and terms shall have the following meanings |
| 26 | unless some other meaning is plainly indicated: |
| 27 | (7) "Rental agreement" means any written agreement, |
| 28 | <u>including amendments or addenda,</u> or oral agreement if for <u>a</u> |
| 29 | less duration <u>of less</u> than 1 year, providing for use and |
| 30 | occupancy of premises. |
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CODING: Words stricken are deletions; words <u>underlined</u> are additions.

1 (17) "Early termination fee" means any charge, fee, or 2 forfeiture that is provided for in a written rental agreement and is assessed to a tenant when a tenant vacates a dwelling 3 4 unit before the end of the rental agreement. An early termination fee does not include: 5 б (a) Unpaid rent through the end of the month in which 7 the tenant occupied the dwelling unit. 8 (b) Charges for damages to the dwelling unit. 9 Section 2. Section 83.595, Florida Statutes, is 10 amended to read: 83.595 Choice of remedies upon breach or early 11 12 termination by tenant. --13 (1) If the tenant breaches the <u>rental agreement</u> lease for the dwelling unit and the landlord has obtained a writ of 14 possession, or the tenant has surrendered possession of the 15 16 dwelling unit to the landlord, or the tenant has abandoned the 17 dwelling unit, the landlord may: 18 (1)(a) Treat the <u>rental agreement</u> lease as terminated and retake possession for his or her own account, thereby 19 terminating any further liability of the tenant; or 20 21 (2)(b) Retake possession of the dwelling unit for the 2.2 account of the tenant, holding the tenant liable for the 23 difference between the rent rental stipulated to be paid under 2.4 the <u>rental</u> lease agreement and what, in good faith, the 25 landlord is able to recover from a reletting. If the landlord retakes possession, the landlord has a duty to exercise good 26 27 faith in attempting to relet the premises, and any rent 2.8 received by the landlord as a result of the reletting shall be deducted from the balance of rent due from the tenant. For 29 purposes of this subsection, the term "good faith in 30 attempting to relet the premises "means that the landlord uses 31

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1 at least the same efforts to relet the premises as were used 2 in the initial rental or at least the same efforts as the landlord uses in attempting to rent other similar rental units 3 4 but does not require the landlord to give a preference in renting the premises over other vacant dwelling units that the 5 6 landlord owns or has the responsibility to rent; or 7 (3)(c) Stand by and do nothing, holding the lessee 8 liable for the rent as it comes due; or. 9 (4) If liquidated damages or an early termination fee 10 are provided for in the rental agreement, treat the rental agreement as terminated and recover liquidated damages or 11 12 charge an early termination fee upon the tenant's giving 13 notice. This remedy is available only if the tenant, at the time the rental agreement was made, indicated acceptance of 14 liquidated damages or an early termination fee by placing his 15 or her signature or initials next to the provision in the 16 17 agreement. If acceptance is not indicated, only the remedies 18 available in subsection (1), subsection (2), or subsection (3) 19 <u>apply.</u> (a) The landlord is entitled to both liquidated 2.0 21 damages and an early termination fee if the combined total 2.2 charge does not exceed an amount equal to 2 months' rent. 23 (b) In addition to liquidated damages or an early termination fee, the landlord may charge the tenant for any 2.4 unpaid rent and other charges due under the rental agreement 25 through the end of the month in which the landlord retakes 26 27 possession of the dwelling unit, and any rent concessions that 2.8 the tenant has received up to the maximum of 1 month's rent. For purposes of this paragraph, the term "rent concessions" 29 means any amount contained in the rental agreement by which 30 31

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all or a portion of the base rent is reduced in consideration 1 2 for the tenant's entering into the rental agreement. 3 (c) This subsection does not apply if the breach is 4 failure to give notice as provided in s. 83.575. 5 (2) If the landlord retakes possession of the dwelling б unit for the account of the tenant, the landlord has a duty to 7 exercise good faith in attempting to relet the premises, and any rentals received by the landlord as a result of the 8 reletting shall be deducted from the balance of rent due from 9 10 the tenant. For purposes of this section, "good faith in attempting to relet the premises" means that the landlord 11 12 shall use at least the same efforts to relet the premises as 13 were used in the initial rental or at least the same efforts as the landlord uses in attempting to lease other similar 14 15 rental units but does not require the landlord to give a preference in leasing the premises over other vacant dwelling 16 17 units that the landlord owns or has the responsibility to 18 rent. Section 3. This act shall take effect upon becoming a 19 20 law. 21 22 23 2.4 25 26 27 28 29 30 31

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| The committee substitute (CS) combines SE's 2730 and 1596. Regarding SE 2730, the CS: Amends s. 83.595(2) F.S., to refer to "rents" received from releting instead of "rentals" received. It also refers to the landlord attempting to "lease" other similar rental units. Amends s. 83.595(4)(b), F.S., to clarify that the landlord may charge the tenant for any unpaid rent "and other charges" due under the rental agreement through the end of the month. Amends s. 83.595, F.S., to include the term "or" between each of the four landlord remedies. Regarding SE 1596, the CS: Amends s. 83.595(2), F.S., to require that the landlord attempt in good faith to relet the dwelling unit and clarifies that the amount received from the releting must be deducted from the amount due from the tenant. It deletes the similar "good faith" provision contained in current law at s. 83.595(2), F.S. Requires that the tenant acknowledge the early termination fee or liquidated damages in the lease agreement by placing his or her initials or signature next to the provision. Defines "rental concessions" to mean an amount contained in the rental agreement used as consideration for the tenant's entering into the rental agreement. The CS does not include within the meaning of the term "or" between each of the four landlord remedies. | 1 | STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN COMMITTEE SUBSTITUTE FOR |
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