LEGISLATIVE ACTION

Senate	•	House
Comm: RCS		
03/26/2010		
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The Committee on Judiciary (Baker) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Subsection (1) and paragraph (a) of subsection (2) of section 255.05, Florida Statutes, are amended to read:

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

9 (1) (a) Any person entering into a formal contract with the 10 state or any county, <u>municipality</u> city, or political subdivision 11 thereof, or other public authority or private entity, for the 12 construction of a public building, for the prosecution and 13 completion of a public work, or for repairs upon a public

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building or public work shall be required, before commencing the work or before recommencing the work after a default or abandonment, to execute and, deliver to the public owner, and record in the public records of the county where the improvement is located, a payment and performance bond with a surety insurer authorized to do business in this state as surety.

20 (a) A public entity may not require a contractor to secure 21 a surety bond under this section from a specific agent or 22 bonding company.

23 (b) The bond must state on its front page: the name, 24 principal business address, and phone number of the contractor, 25 the surety, the owner of the property being improved, and, if different from the owner, the contracting public entity; the 26 27 contract number assigned by the contracting public entity; the bond number assigned by the surety; and a description of the 28 29 project sufficient to identify it, such as a legal description 30 or the street address of the property being improved, and a general description of the improvement. 31

32 (c) Such bond shall be conditioned upon the contractor's 33 performance of the construction work in the time and manner 34 prescribed in the contract and promptly making payments to all 35 persons defined in s. 713.01 who furnish labor, services, or 36 materials for the prosecution of the work provided for in the 37 contract.

38 (d) The contractor shall record the payment bond upon 39 issuance in the official records of the county in which the 40 improvement will be located.

(e)1. The issuing authority for the building permit, or a
 private provider performing inspection services, may not inspect

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43 the property being improved until: a. The issuing authority has a copy of the contractor's 44 45 recorded payment bond on file; or 46 b. The contracting public entity has filed with the issuing 47 authority a notarized statement stating that the contract is 48 exempt from the requirement for a payment bond as provided in 49 this section. 50 2. This paragraph does not apply to inspections for the installation of temporary electrical service or other temporary 51 52 utility service, land clearing, or other preliminary site work. 53 (f) Any claimant may apply to the governmental entity 54 having charge of the work for copies of the contract and bond 55 and shall thereupon be furnished with a certified copy of the 56 contract and bond. The claimant has shall have a right of action against the contractor and surety for the amount due him or her, 57 including unpaid finance charges due under the claimant's 58 59 contract. Such action shall not involve the public authority in 60 any expense. (g)1. A payment and performance bond is not required for a 61 62 contract with the state for \$100,000 or less. When such work is

62 <u>contract with the state for \$100,000 or less.</u> when such work is
 63 done for the state and the contract is for \$100,000 or less, no
 64 payment and performance bond shall be required.

At the discretion of The official or board awarding <u>a</u>
such contract when such work is done for <u>a</u> any county,
<u>municipality</u> city, political subdivision, or public authority
<u>may exempt a contract</u>, any person entering into such a contract
which is for \$200,000 or less from the requirement for a may be
exempted from executing the payment and performance bond.
3. When such work is done for the state, The Secretary of

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72 Management Services may delegate to a state agency agencies the 73 authority to exempt any person entering into such a contract for amounting to more than \$100,000 but less than \$200,000 from the 74 75 requirement for a executing the payment and performance bond. If 76 In the event such exemption is granted, the officer or officials 77 are shall not be personally liable to persons suffering loss 78 because of granting such exemption. The Department of Management 79 Services shall maintain information on the number of requests by 80 state agencies for delegation of authority to waive the bond 81 requirements by agency and project number and whether any request for delegation was denied and the justification for the 82 83 denial.

(h) Any provision in a payment bond furnished for public
work contracts as provided by this subsection which restricts
the classes of persons as defined in s. 713.01 protected by the
bond or the venue of any proceeding relating to such bond is
unenforceable.

89 <u>(i) (b)</u> The Department of Management Services shall adopt 90 rules with respect to all contracts for \$200,000 or less, to 91 provide:

92 1. Procedures for retaining up to 10 percent of each 93 request for payment submitted by a contractor and procedures for 94 determining disbursements from the amount retained on a pro rata 95 basis to laborers, materialmen, and subcontractors, as defined 96 in s. 713.01.

97 2. Procedures for requiring certification from laborers,
98 materialmen, and subcontractors, as defined in s. 713.01, prior
99 to final payment to the contractor, that such laborers,
100 materialmen, and subcontractors have no claims against the

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101 contractor resulting from the completion of the work provided for in the contract. 102 103 104 The state is shall not be held liable to any laborer, 105 materialman, or subcontractor for any amounts greater than the 106 pro rata share as determined under this section. 107 (j) (c) 1. The amount of the bond shall equal the contract price, except that for a contract in excess of \$250 million, if 108 109 the state, county, municipality, political subdivision, or other 110 public entity finds that a bond in the amount of the contract 111 price is not reasonably available, the public owner shall set 112 the amount of the bond at the largest amount reasonably available, but not less than \$250 million. 113 114 2. For construction-management or design-build contracts, if the public owner does not include in the bond amount the cost 115 of design or other nonconstruction services, the bond may not be 116 117 conditioned on performance of such services or payment to persons furnishing such services. Notwithstanding paragraph (h) 118 119 (a), such a bond may exclude persons furnishing such services 120

121 (2) (a)1. If a claimant is no longer furnishing labor, 122 services, or materials on a project, a contractor or the 123 contractor's agent or attorney may elect to shorten the 124 prescribed time in this paragraph within which an action to 125 enforce any claim against a payment bond must provided pursuant 126 to this section may be commenced by recording in the clerk's 127 office a notice in substantially the following form: 128 NOTICE OF CONTEST OF CLAIM 129 AGAINST PAYMENT BOND

from the classes of persons protected by the bond.

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130	
131	To: (Name and address of claimant)
132	
133	You are notified that the undersigned contests your notice
134	of nonpayment, dated,, and served on the
135	undersigned on,, and that the time within
136	which you may file suit to enforce your claim is limited to 60
137	days after the date of service of this notice.
138	
139	DATED on,
140	
141	Signed:(Contractor or Attorney)
142	
143	The claim of any claimant upon whom such notice is served and
144	who fails to institute a suit to enforce his or her claim
145	against the payment bond within 60 days after service of such
146	notice shall be extinguished automatically. The clerk shall mail
147	a copy of the notice of contest to the claimant at the address
148	shown in the notice of nonpayment or most recent amendment
149	thereto by certified or registered mail, return receipt
150	requested, and shall certify to such service on the face of such
151	notice and record the notice. Service is complete upon mailing.
152	2. A claimant, except a laborer, who is not in privity with
153	the contractor shall, before commencing or not later than 45
154	days after commencing to furnish labor, services, or materials
155	for the prosecution of the work, furnish the contractor with a
156	written notice that he or she intends to look to the bond for
157	protection. A claimant who is not in privity with the contractor
158	and who has not received payment for his or her labor, services,
I	



159 or materials shall deliver to the contractor and to the surety written notice of the performance of the labor or delivery of 160 161 the materials or supplies and of the nonpayment. The notice of 162 nonpayment may be served at any time during the progress of the 163 work or thereafter but not before 45 days after the first 164 furnishing of labor, services, or materials, and not later than 165 90 days after the final furnishing of the labor, services, or materials by the claimant or, with respect to rental equipment, 166 167 not later than 90 days after the date that the rental equipment 168 was last on the job site available for use. Any notice of 169 nonpayment served by a claimant who is not in privity with the 170 contractor which includes sums for retainage must specify the 171 portion of the amount claimed for retainage. An No action for 172 the labor, materials, or supplies may not be instituted against the contractor or the surety unless both notices have been 173 given. Notices required or permitted under this section may be 174 175 served in accordance with s. 713.18. A claimant may not waive in advance his or her right to bring an action under the bond 176 177 against the surety. In any action brought to enforce a claim against a payment bond under this section, the prevailing party 178 179 is entitled to recover a reasonable fee for the services of his or her attorney for trial and appeal or for arbitration, in an 180 amount to be determined by the court, and the which fee must be 181 182 taxed as part of the prevailing party's costs, as allowed in 183 equitable actions. The time periods for service of a notice of 184 nonpayment or for bringing an action against a contractor or a 185 surety shall be measured from the last day of furnishing labor, services, or materials by the claimant and shall not be measured 186 187 by other standards, such as the issuance of a certificate of

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188 occupancy or the issuance of a certificate of substantial 189 completion. 190 Section 2. Section 713.015, Florida Statutes, is amended to 191 read: 192 713.015 General statement of owner's rights and 193 responsibilities Mandatory provisions for direct contracts.-194 (1) For any direct contract greater than \$2,500 between an 195 owner and a contractor, related to improvements to real property 196 consisting of single or multiple family dwellings up to and 197 including four units, the contractor must provide the owner with 198 a copy of the general statement of owner's rights and 199 responsibilities under Florida's Construction Lien Law as set 200 forth in subsection (2), which must be contain the following 201 notice provision printed in no less than 12-point, capitalized, 202 boldfaced type on the front page of the contract or on a 203 separate page, signed by the owner and dated, and submitted with 204 the original building permit application pursuant to s. 205 713.135.÷ 206 207 ACCORDING TO FLORIDA'S CONSTRUCTION LIEN LAW (SECTIONS 713.001-208 713.37, FLORIDA STATUTES), THOSE WHO WORK ON YOUR PROPERTY OR 209 PROVIDE MATERIALS AND SERVICES AND ARE NOT PAID IN FULL HAVE A 210 RICHT TO ENFORCE THEIR CLAIM FOR PAYMENT AGAINST YOUR PROPERTY. 211 THIS CLAIM IS KNOWN AS A CONSTRUCTION LIEN. IF YOUR CONTRACTOR 212 OR A SUBCONTRACTOR FAILS TO PAY SUBCONTRACTORS, SUB-213 SUBCONTRACTORS, OR MATERIAL SUPPLIERS, THOSE PEOPLE WHO ARE OWED 214 MONEY MAY LOOK TO YOUR PROPERTY FOR PAYMENT, EVEN IF YOU HAVE 215 ALREADY PAID YOUR CONTRACTOR IN FULL. IF YOU FAIL TO PAY YOUR 216 CONTRACTOR, YOUR CONTRACTOR MAY ALSO HAVE A LIEN ON YOUR



217	PROPERTY. THIS MEANS IF A LIEN IS FILED YOUR PROPERTY COULD BE
218	SOLD AGAINST YOUR WILL TO PAY FOR LABOR, MATERIALS, OR OTHER
219	SERVICES THAT YOUR CONTRACTOR OR A SUBCONTRACTOR MAY HAVE FAILED
220	TO PAY. TO PROTECT YOURSELF, YOU SHOULD STIPULATE IN THIS
221	CONTRACT THAT BEFORE ANY PAYMENT IS MADE, YOUR CONTRACTOR IS
222	REQUIRED TO PROVIDE YOU WITH A WRITTEN RELEASE OF LIEN FROM ANY
223	PERSON OR COMPANY THAT HAS PROVIDED TO YOU A "NOTICE TO OWNER."
224	FLORIDA'S CONSTRUCTION LIEN LAW IS COMPLEX, AND IT IS
225	RECOMMENDED THAT YOU CONSULT AN ATTORNEY.
226	(2) The general statement of an owner's rights and
227	responsibilities under Florida's Construction Lien Law must be
228	in substantially the following form, must include the
229	information contained in the following form, and must include a
230	copy of a notice of commencement as provided in s. 713.13(1).
231	
232	GENERAL STATEMENT OF OWNER'S RIGHTS AND RESPONSIBILITIES
233	UNDER FLORIDA'S CONSTRUCTION LIEN LAW
234	(Required by Section 713.015, Florida Statutes)
235	
236	ABOUT THIS DOCUMENTFlorida law requires your contractor
237	to provide you with this document when you are contracting to
238	make improvements to real property. It is critical that you have
239	some understanding of Florida's construction lien and payment
240	laws and take appropriate steps to protect your investment and
241	fulfill your obligations to those who provide labor, services or
242	materials for your project.
243	
244	You must acknowledge that you have received and read this
245	document by signing on the signature page. The original signed

document by signing on the signature page. The original signed

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1	
246	document must be delivered to the building permit authority,
247	along with the building permit application for your project.
248	Your building permit application will not be processed unless
249	this signed document is in the file. You need to retain a copy
250	of this document so that you can follow the procedures described
251	in the document and identify the proper statutory forms as you
252	proceed with your construction project.
253	
254	IT IS ALWAYS RECOMMENDED THAT YOU CONSULT LEGAL ADVICE
255	BEFORE UNDERTAKING REAL PROPERTY IMPROVEMENTS. IF YOU HAVE
256	QUESTIONS REGARDING THE INFORMATION CONTAINED IN THIS DOCUMENT,
257	SEEK THE ADVICE OF A FLORIDA CONSTRUCTION LAW ATTORNEY.
258	
259	THE FLORIDA CONSTRUCTION LIEN LAWPart I of chapter 713,
260	Florida Statutes (F.S.), governs private construction projects
261	in this state. The complete text of this law can be found at
262	www.leg.state.fl.us. This statement is a guide and does not take
263	precedence over the language of Florida's Construction Lien Law.
264	
265	Under this law, those who work on your property or provide
266	materials and services and who are not paid in full have a right
267	to enforce their claim for payment against your property. This
268	claim is known as a construction lien. If your contractor or a
269	subcontractor fails to pay subcontractors, sub-subcontractors,
270	or material suppliers, those people who are owed money may look
271	to your property for payment even if you have already paid your
272	contractor in full. If you fail to pay your contractor, your
273	contractor may also have a lien on your property. This means
274	that if a valid lien is filed, your property could be sold
I	

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275	against your will to pay for labor, services, or materials that
276	your contractor or a subcontractor may have failed to pay.
277	
278	FLORIDA LAW ALSO PROVIDES PROCEDURES TO PROTECT OWNERS FROM
279	PAYING MORE THAN THE AMOUNT OF THEIR CONTRACT. IF YOU FOLLOW THE
280	FOUR STEPS SET FORTH BELOW, YOU WILL PROTECT YOURSELF FROM VALID
281	LIENS AGAINST YOUR PROPERTY, AND FROM PAYING TWICE FOR LABOR,
282	SERVICES, OR MATERIALS FURNISHED FOR YOUR PROJECT.
283	
284	<u>STEP 1 - THE NOTICE OF COMMENCEMENTAn owner is required</u>
285	by law to complete, sign, and record in the public records a
286	Notice of Commencement for all direct contracts that exceed
287	\$2,500. The information provided in the recorded Notice of
288	Commencement is relied upon by all parties who provide labor,
289	services or materials for your project. A copy of the statutory
290	Notice of Commencement form required by s. 713.13, Florida
291	Statutes, is attached to this document.
292	
293	If a lender is financing your project, the lender will
294	assist you in completing the Notice of Commencement and is
295	responsible for recording it in the public records. It is
296	critical that your Notice of Commencement be recorded after any
297	construction loan or mortgage documents are recorded. If you are
298	not using a lender, preparing and recording the Notice of
299	Commencement is your responsibility. The Notice of Commencement
300	must be recorded before commencing construction and posted on
301	your jobsite. For most projects, a copy of the recorded Notice
302	of Commencement must be submitted to the building permit
303	authority prior to the first building inspection.

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304 305 STEP 2 - MONITOR THE DOCUMENTS AND NOTICES YOU RECEIVE.-Pick up your certified mail. Most lien notices are served by 306 307 certified mail and you need to know who is providing labor, 308 services, or materials for your project. The law provides that 309 any properly addressed notices that are returned to the sender 310 through no fault of the sender are considered served on the date 311 sent, so failing to claim certified mail only hurts you. 312 313 If you expect to be absent for periods of time during your 314 project, you should have an attorney or other agent in a 315 position of trust who understands the law handle these details 316 for you. Make sure someone is receiving your mail and taking 317 steps to obtain the necessary lien releases before making 318 payments to your contractor. If you receive anything that you do 319 not understand, seek the assistance of an experienced 320 construction law attorney. 321 322 STEP 3 - OBTAIN SIGNED LIEN WAIVERS EACH TIME YOU MAKE A 323 PAYMENT TO YOUR CONTRACTOR.-Each time you pay your contractor 324 you should obtain a Waiver and Release of Lien form from the 325 contractor AND from anyone who has served you with a Notice to 326 Owner. Make sure that each release waives lien rights against 327 your project for work or materials furnished through the date of 328 the work or materials that your payment covers. This date is 329 probably not the date you are making the payment, but a date 330 prior to the payment date through which labor, services, or 331 materials have been billed. 332

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333 UNDER FLORIDA LAW, YOU HAVE THE RIGHT TO WITHHOLD PAYMENTS 334 OWED TO THE CONTRACTOR UNTIL YOU HAVE BEEN PROVIDED WITH A 335 WRITTEN WAIVER AND RELEASE OF LIEN UPON PROGRESS PAYMENT OR A 336 WRITTEN WAIVER AND RELEASE OF LIEN UPON FINAL PAYMENT SHOWING 337 THAT THE LIENOR'S CLAIM FOR PAYMENT HAS BEEN PAID. 338 339 There are two statutory Waiver and Release of Lien forms. 340 The signed Waiver and Release of Lien Upon Progress Payment 341 should be provided to you by a contractor, subcontractor, or 342 material supplier each time you make a progress payment to your 343 contractor. The signed Waiver and Release of Lien Upon Final 344 Payment should be submitted by your contractor, a subcontractor, 345 or material supplier when they are finished furnishing all work 346 or materials for your project and have received final payment. 347 Once you receive a final waiver from a contractor, 348 subcontractor, or material supplier, you should not need another 349 waiver unless they are hired to do additional work. 350 351 STEP 4 - OBTAIN A CONTRACTOR'S FINAL PAYMENT AFFIDAVIT 352 BEFORE YOU MAKE FINAL PAYMENT TO YOUR CONTRACTOR. - In addition to 353 obtaining Final Waiver and Release of Lien forms from the 354 contractor and anyone who has served you with a Notice to Owner, 355 you should obtain a Contractor's Final Payment Affidavit before 356 you make final payment to your contractor. This sworn affidavit 357 should reflect that everyone who supplied labor, services, or 358 materials on your project has been paid in full or should list 359 those subcontractors and suppliers who are still owed money. 360 Make sure that anyone listed as not being paid in full is paid before making final payment to your contractor. You have a right 361

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362	to rely on the information contained in the sworn affidavit when	
363	you make final payment to your contractor with respect to any	
364	lienor who has not served a Notice to Owner. If a lienor has	
365	served you with a Notice to Owner, you should obtain a Waiver	
366	and Release of Lien Upon Final Payment from that lienor.	
367		
368	OWNER'S ACKNOWLEDGMENT AND RECEIPT	
369		
370	The undersigned owner(s) of Florida real property hereby	
371	acknowledge that they are preparing to enter into a contract	
372	with for the	
373	construction of real property improvements to the following-	
374	described property (insert address or legal description):	
375		
376		
377	(Signature of Property Owner)(Date)	
378	(Signature of Property Owner)(Date)	
379		
380	Attached Statutory Form: Notice of Commencement	
381	Additional information regarding license and insurance	
382	requirements for contractors and copies of the statutory forms	
383	discussed in this document can be obtained online at	
384	www.myflorida.com/dbpr/pro/cilb.	
385	(2)(a) If the contract is written, the notice must be in	
386	the contract document. If the contract is oral or implied, the	
387	notice must be provided in a document referencing the contract.	
388	<u>(3)</u> The failure to provide such written notice does not	
389	bar the enforcement of a lien against a person who has not been	
390	adversely affected.	

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i i	
391	(4) (c) This section may not be construed to adversely
392	affect the lien and bond rights of lienors who are not in
393	privity with the owner. This section does not apply when the
394	owner is a contractor licensed under chapter 489 or is a person
395	who created parcels or offers parcels for sale or lease in the
396	ordinary course of business.
397	Section 3. Paragraph (c) of subsection (2) of section
398	713.06, Florida Statutes, is amended to read:
399	713.06 Liens of persons not in privity; proper payments
400	(2)
401	(c) The notice may be in substantially the following form
402	and must include the information and the warning contained in
403	the following form:
404	
405	WARNING! FLORIDA'S CONSTRUCTION LIEN LAW ALLOWS SOME
406	UNPAID CONTRACTORS, SUBCONTRACTORS, AND MATERIAL
407	SUPPLIERS TO FILE LIENS AGAINST YOUR PROPERTY EVEN IF
408	YOU HAVE MADE PAYMENT IN FULL.
409	
410	UNDER FLORIDA LAW, YOUR FAILURE TO MAKE SURE THAT WE ARE PAID
411	MAY RESULT IN A LIEN AGAINST YOUR PROPERTY AND YOUR PAYING
412	TWICE.
413	TO PROTECT YOURSELF, EACH TIME YOU MAKE A PAYMENT TO THE
414	CONTRACTOR ASK YOUR CONTRACTOR TO PROVIDE YOU WITH A WRITTEN
415	WAIVER AND RELEASE OF LIEN FROM US. FOR ADDITIONAL INFORMATION,
416	REFER TO THE GENERAL STATEMENT OF OWNER'S RIGHTS AND
417	RESPONSIBILITIES WHICH WAS PROVIDED TO YOU BY OUR CONTRACTOR AT
418	THE BEGINNING OF YOUR CONSTRUCTION PROJECT. AVOID A LIEN AND
419	PAYING TWICE, YOU MUST OBTAIN A WRITTEN RELEASE FROM US EVERY

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420	TIME YOU PAY YOUR CONTRACTOR.
421	NOTICE TO OWNER
422	
423	To (Owner's name and address)
424	
425	The undersigned hereby informs you that he or she has furnished
426	or is furnishing services or materials as follows:
427	(General description of services or materials) for the
428	improvement of the real property identified as(property
429	description) under an order given by
430	
431	Florida law prescribes the serving of this notice and restricts
432	your right to make payments under your contract in accordance
433	with Section 713.06, Florida Statutes.
434	IMPORTANT INFORMATION FOR
435	YOUR PROTECTION
436	
437	Under Florida's laws, those who work on your property or
438	provide materials and are not paid have a right to enforce their
439	claim for payment against your property. This claim is known as
440	a construction lien.
441	If your contractor fails to pay subcontractors or material
442	suppliers or neglects to make other legally required payments,
443	the people who are owed money may look to your property for
444	payment, EVEN IF YOU HAVE PAID YOUR CONTRACTOR IN FULL.
445	
446	PROTECT YOURSELF:
447	-RECOGNIZE that this Notice to Owner may result in a lien
448	against your property unless all those supplying a Notice to

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449	Owner have been paid.
450	-LEARN more about the Construction Lien Law, Chapter 713,
451	Part I, Florida Statutes, and the meaning of this notice by
452	contacting an attorney or the Florida Department of Business and
453	Professional Regulation.
454	(Lienor's Signature)
455	(Lienor's Name)
456	(Lienor's Address)
457	
458	Copies to:(Those persons listed in Section 713.06(2)(a) and
459	(b), Florida Statutes)
460	The form may be combined with a notice to contractor given under
461	s. 255.05 or s. 713.23 and, if so, may be entitled "NOTICE TO
462	OWNER/NOTICE TO CONTRACTOR."
463	Section 4. Section 713.09, Florida Statutes, is amended to
464	read:
465	713.09 Single claim of lien.—A lienor <u>may</u> is required to
466	record only one claim of lien covering his or her entire demand
467	against the real property when the amount demanded is for labor
468	or services or material furnished for more than one improvement
469	under the same direct contract. The single claim of lien is
470	sufficient even though the improvement is for one or more
471	improvements located on separate lots, parcels, <u>units,</u> or tracts
472	of land. If materials to be used on one or more improvements on
473	separate lots, parcels, <u>units,</u> or tracts of land under one
474	direct contract are delivered by a lienor to a place designated
475	by the person with whom the materialman contracted, other than
476	the site of the improvement, the delivery to the place
477	designated is prima facie evidence of delivery to the site of



478 the improvement and incorporation in the improvement. The single 479 claim of lien may be limited to a part of multiple lots, 480 parcels, or tracts of land and their improvements or may cover 481 all of the lots, parcels, units, or tracts of land and improvements. In each claim of lien under this section, the 482 483 owner under the direct contract must be the same person for all 484 lots, parcels, or tracts of land against which a single claim of 485 lien is recorded. 486 Section 5. Section 713.13, Florida Statutes, is amended to 487 read: 488 713.13 Notice of commencement.-489 (1) (a) Except for an improvement that is exempt pursuant to s. 713.02(5), an owner or the owner's authorized agent before 490 491 actually commencing to improve any real property, or 492 recommencing completion of any improvement after default or 493 abandonment, whether or not a project has a payment bond 494 complying with s. 713.23, shall record a notice of commencement 495 in the clerk's office and forthwith post either a certified copy 496 thereof or a notarized statement that the notice of commencement 497 has been filed for recording along with a copy thereof. The 498 notice of commencement shall contain the following information: 499 1. A description sufficient for identification of the real 500 property to be improved. The description should include the 501 legal description of the property and also should include the 502 street address and tax folio number of the property if available 503 or, if there is no street address available, such additional

504 information as will describe the physical location of the real 505 property to be improved.

506

2. A general description of the improvement.

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507 3. The name and address of the owner, the owner's interest 508 in the site of the improvement, and the name and address of the 509 fee simple titleholder, if other than such owner.

510

4. The name and address of the contractor.

511 5. The name and address of the surety on the payment bond 512 under s. 713.23, if any, and the amount of such bond.

513 6. The name and address of any person making a loan for the 514 construction of the improvements.

515 7. The name and address within the state of a person other 516 than himself or herself who may be designated by the owner as 517 the person upon whom notices or other documents may be served 518 under this part; and service upon the person so designated 519 constitutes service upon the owner.

(b) The owner, at his or her option, may designate a person in addition to himself or herself to receive a copy of the lienor's notice as provided in s. 713.06(2)(b), and if he or she does so, the name and address of such person must be included in the notice of commencement.

(c) If the contract between the owner and a contractor named in the notice of commencement expresses a period of time for completion for the construction of the improvement greater than 1 year, the notice of commencement must state that it is effective for a period of 1 year plus any additional period of time. Any payments made by the owner after the expiration of the notice of commencement are considered improper payments.

532 (d) A notice of commencement must be in substantially the 533 following form:

535 Permit No....

534

Tax Folio No....

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536 NOTICE OF COMMENCEMENT State of.... 537 538 County of.... 539 The undersigned hereby gives notice that improvement will be 540 541 made to certain real property, and in accordance with Chapter 713, Florida Statutes, the following information is provided in 542 543 this Notice of Commencement. 544 1. Description of property: ... (legal description of the 545 property, and street address if available).... 546 2. General description of improvement:..... 547 3. Owner information:.... 548 a. Name and address:.... 549 b. Interest in property:.... 550 c. Name and address of fee simple titleholder (if other 551 than Owner):.... 552 4.a. Contractor: ... (name and address).... 553 b. Contractor's phone number:.... 554 5. Surety ... (a copy of the payment bond is attached, if 555 the project is bonded).... 556 a. Name and address:.... 557 b. Phone number:.... 558 c. Amount of bond: \$.... 559 6.a. Lender:... (name and address).... 560 b. Lender's phone number:.... 561 7.a. Persons within the State of Florida designated by 562 Owner upon whom notices or other documents may be served as provided by Section 713.13(1)(a)7., Florida Statutes: ... (name 563 564 and address)....

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565	b. Phone numbers of designated persons:
566	8.a. In addition to himself or herself, Owner designates
567	of to receive a copy of the Lienor's
568	Notice as provided in Section 713.13(1)(b), Florida Statutes.
569	b. Phone number of person or entity designated by
570	owner:
571	9. Expiration date of notice of commencement (the
572	expiration date is 1 year from the date of recording unless a
573	<u>later</u> different date is specified)
574	
575	WARNING TO OWNER: IF THIS NOTICE OF COMMENCEMENT WILL EXPIRE
576	BEFORE ALL WORK IS COMPLETED AND FINAL PAYMENT IS MADE, THE
577	EXPIRATION DATE MUST BE EXTENDED. ANY PAYMENTS MADE BY THE OWNER
578	AFTER THE EXPIRATION OF THE NOTICE OF COMMENCEMENT ARE
579	CONSIDERED IMPROPER PAYMENTS UNDER CHAPTER 713, PART I, SECTION
580	713.13, FLORIDA STATUTES, AND CAN RESULT IN YOUR PAYING TWICE
581	FOR IMPROVEMENTS TO YOUR PROPERTY. A NOTICE OF COMMENCEMENT MUST
582	BE RECORDED AND POSTED ON THE JOB SITE BEFORE THE FIRST
583	INSPECTION. IF YOU INTEND TO OBTAIN FINANCING, CONSULT WITH YOUR
584	LENDER OR AN ATTORNEY BEFORE COMMENCING WORK OR RECORDING YOUR
585	NOTICE OF COMMENCEMENT.
586	
587	Under penalty of perjury, I declare that I have read the
588	foregoing notice of commencement and that the facts stated
589	therein are true to the best of my knowledge and belief.
590	
591	(Signature of Owner or Owner's Authorized
592	Officer/Director/Partner/Manager)
593	

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594	(Signatory's Title/Office)
595	
596	The foregoing instrument was acknowledged before me this
597	day of,(year), by(name of person) as(type
598	of authority,e.g. officer, trustee, attorney in fact) for
599	(name of party on behalf of whom instrument was executed)
600	
601	(Signature of Notary Public - State of Florida)
602	
603	(Print, Type, or Stamp Commissioned Name of Notary
604	Public)
605	
606	Personally Known OR Produced Identification
607	
608	Type of Identification Produced
609	
610	Verification pursuant to Section 92.525, Florida Statutes.
611	
612	Under penalties of perjury, I declare that I have read the
613	foregoing and that the facts stated in it are true to the best
614	of my knowledge and belief.
615	
616	(Signature of Natural Person Signing Above)
617	(e) A copy of any payment bond must be attached at the time
618	of recordation of the notice of commencement. The failure to
619	attach a copy of the bond to the notice of commencement when the
620	notice is recorded negates the exemption provided in s.
621	713.02(6). However, if a payment bond under s. 713.23 exists but
622	was not attached at the time of recordation of the notice of

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623 commencement, the bond may be used to transfer any recorded lien 624 of a lienor except that of the contractor by the recordation and 625 service of a notice of bond pursuant to s. 713.23(2). The notice 626 requirements of s. 713.23 apply to any claim against the bond; 627 however, the time limits for serving any required notices shall 628 begin running from the later of the time specified in s. 713.23 629 or the date the notice of bond is served on the lienor.

(f) The giving of a notice of commencement is effectiveupon the filing of the notice in the clerk's office.

(g) The owner must sign the notice of commencement and noone else may be permitted to sign in his or her stead.

(2) If the improvement described in the notice of
commencement is not actually commenced within 90 days after the
recording thereof, such notice is void and of no further effect.

(3) The recording of a notice of commencement does not
constitute a lien, cloud, or encumbrance on real property, but
gives constructive notice that claims of lien under this part
may be recorded and may take priority as provided in s. 713.07.
The posting of a copy does not constitute a lien, cloud, or
encumbrance on real property, nor actual or constructive notice
of any of them.

(4) This section does not apply to an owner who isconstructing improvements described in s. 713.04.

(5) (a) A notice of commencement that is recorded within the
effective period may be amended to extend the effective period,
change erroneous information in the original notice, or add
information that was omitted from the original notice. However,
in order to change contractors, a new notice of commencement or
notice of recommencement must be executed and recorded.

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(b) The amended notice must identify the official records
book and page where the original notice of commencement is
recorded, and a copy of the amended notice must be served by the
owner upon the contractor and each lienor who serves notice
before or within 30 days after the date the amended notice is
recorded.

(6) Unless otherwise provided in the notice of commencement or a new or amended notice of commencement, a notice of commencement is not effectual in law or equity against a conveyance, transfer, or mortgage of or lien on the real property described in the notice, or against creditors or subsequent purchasers for a valuable consideration, after 1 year after the date of recording the notice of commencement.

665 (7) A lender must, prior to the disbursement of any 666 construction funds to the contractor, record the notice of 667 commencement in the clerk's office as required by this section; 668 however, the lender is not required to post a certified copy of 669 the notice at the construction site. The posting of the notice 670 at the construction site remains the owner's obligation. The failure of a lender to record the notice of commencement as 671 672 required by this subsection renders the lender liable to the 673 owner for all damages sustained by the owner as a result of the 674 failure. Whenever a lender is required to record a notice of 675 commencement, the lender shall designate the lender, in addition 676 to others, to receive copies of notices to owner. This 677 subsection does not give any person other than the owner a claim 678 or right of action against a lender for failure to record a 679 notice of commencement.

680

Section 6. Section 713.135, Florida Statutes, is amended to



681 read: 682 713.135 Notice of commencement and applicability of lien.-(1) When any person applies for a building permit, the 683 684 authority issuing such permit shall: 685 (a) Require the applicant to submit the signed and dated 686 general statement of an owner's rights and responsibilities 687 under Florida's Construction Lien Law provided in s. 713.015 for 688 any single-family or multifamily dwelling up to and including 689 four units. A building permit application may not be processed 690 unless the signed document is in the file. 691 (b) (a) Print on the face of each permit card in no less 692 than 14-point, capitalized, boldfaced type: "WARNING TO OWNER: 693 IF YOU FAIL YOUR FAILURE TO RECORD A NOTICE OF COMMENCEMENT, YOU 694 MAY PAY RESULT IN YOUR PAYING TWICE FOR IMPROVEMENTS TO YOUR 695 PROPERTY. A NOTICE OF COMMENCEMENT, AND THE CONTRACTOR'S PAYMENT

696 <u>BOND IF THE PROJECT IS BONDED,</u> MUST BE RECORDED AND POSTED ON
697 THE JOB SITE BEFORE THE FIRST INSPECTION. IF YOU INTEND TO
698 OBTAIN FINANCING, CONSULT WITH YOUR LENDER OR AN ATTORNEY BEFORE
699 RECORDING YOUR NOTICE OF COMMENCEMENT."

700 (c) (b) Make available to Provide the applicant and the 701 owner of the real property upon which improvements are to be 702 constructed copies of the general statement of an owner's rights 703 and responsibilities under Florida's with a printed statement 704 stating that the right, title, and interest of the person who 705 has contracted for the improvement may be subject to attachment 706 under the Construction Lien Law, as described in s. 713.015, 707 along with the attached statutory form. The issuing authority 708 may make the general statement and form available in printed 709 form or on the Internet or both. The Department of Business and

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710 Professional Regulation shall furnish, for distribution, the 711 statement described in this paragraph, and the statement must be 712 a summary of the Construction Lien Law and must include an 713 explanation of the provisions of the Construction Lien Law 714 relating to the recording, and the posting of copies, of notices 715 of commencement and a statement encouraging the owner to record 716 a notice of commencement and post a copy of the notice of commencement in accordance with s. 713.13. The statement must 717 718 also contain an explanation of the owner's rights if a lienor fails to furnish the owner with a notice as provided in s. 719 720 713.06(2) and an explanation of the owner's rights as provided 721 in s. 713.22. The authority that issues the building permit must obtain from the Department of Business and Professional 722 723 Regulation the statement required by this paragraph and must 724 mail, deliver by electronic mail or other electronic format or 725 facsimile, or personally deliver that statement to the owner or, 726 in a case in which the owner is required to personally appear to 727 obtain the permit, provide that statement to any owner making 728 improvements to real property consisting of a single or multiple 729 family dwelling up to and including four units. However, the 730 failure by the authorities to provide the summary does not 731 subject the issuing authority to liability. 732 (c) In addition to providing the owner with the statement 733 as required by paragraph (b), inform each applicant who is not 734 the person whose right, title, and interest is subject to 735 attachment that, as a condition to the issuance of a building

736 permit, the applicant must promise in good faith that the 737 statement will be delivered to the person whose property is 738 subject to attachment.



739 (d) Furnish to the applicant two or more copies of a form 740 of notice of commencement conforming with s. 713.13. If the 741 direct contract is greater than \$2,500, the applicant shall file 742 with the issuing authority prior to the first inspection either 743 a certified copy of the recorded notice of commencement or a notarized statement that the notice of commencement has been 744 filed for recording, along with a copy thereof. In the absence 745 746 of the filing of a certified copy of the recorded notice of 747 commencement, the issuing authority or a private provider 748 performing inspection services may not perform or approve 749 subsequent inspections until the applicant files by mail, 750 facsimile, hand delivery, or any other means such certified copy 751 with the issuing authority. The certified copy of the notice of 752 commencement must contain the name and address of the owner, the 753 name and address of the contractor, and the location or address 754 of the property being improved. The issuing authority shall

755 (d) Verify that the name and address of the owner, the name 756 of the contractor, and the location or address of the property 757 being improved which is contained in the certified copy of the 758 notice of commencement is consistent with the information in the 759 building permit application.

760 (e) Provide the recording information from the official 761 public records in which the notice of commencement and payment 762 bond, if any, are recorded to any person upon request. The 763 issuing authority shall provide the recording information on the 764 certified copy of the recorded notice of commencement to any 765 person upon request. This subsection does not require the 766 recording of a notice of commencement prior to the issuance of a 767 building permit. If a local government requires a separate

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768	permit or inspection for installation of temporary electrical
769	service or other temporary utility service, land clearing, or
770	other preliminary site work, such permits may be issued and such
771	inspections may be conducted without providing the issuing
772	authority with a certified copy of a recorded notice of
773	commencement or a notarized statement regarding a recorded
774	notice of commencement. This subsection does not apply to a
775	direct contract to repair or replace an existing heating or air-
776	conditioning system in an amount less than \$7,500.
777	(f) (e) Not require that a notice of commencement be
778	recorded as a condition of the application for, or processing or
779	issuance of, a building permit. However, this paragraph does not
780	modify or waive the inspection requirements set forth in this
781	subsection.
782	(g) Not require that a notice of commencement be recorded
783	or provided for those projects described in s. 713.137(2).
784	(2) An issuing authority under subsection (1) is not liable
785	in any civil action for the failure of the person whose property
786	is subject to attachment to receive or to be delivered <u>the</u>
787	general statement of an owner's rights and responsibilities
788	under Florida's a printed statement stating that the right,
789	title, and interest of the person who has contracted for the
790	improvement may be subject to attachment under the Construction
791	Lien Law <u>as provided in s. 713.015</u> .
792	(3) An issuing authority under subsection (1) is not liable

(3) An issuing authority under subsection (1) is not liable in any civil action for the failure to verify that a certified copy of the recorded notice of commencement has been filed in accordance with this section.

796

(4) The several boards of county commissioners, municipal

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797 councils, or other similar bodies may by ordinance or resolution 798 establish reasonable fees for furnishing, upon request, copies of the forms and the printed statement provided in paragraph 799 800 (1) (a) paragraphs (1) (b) and (d) in an amount not to exceed \$5 to be paid by the applicant for each permit in addition to all 801 802 other costs of the permit; however, no forms or statement need be furnished, mailed, or otherwise provided to, nor may such 803 804 additional fee be obtained from, applicants for permits in those 805 cases in which the owner of a legal or equitable interest 806 (including that of ownership of stock of a corporate landowner) 807 of the real property to be improved is engaged in the business of construction of buildings for sale to others and intends to 808 809 make the improvements authorized by the permit on the property 810 and upon completion will offer the improved real property for 811 sale.

(5) In addition to any other information required by the authority issuing the permit, each building permit application must contain:

815 816

825

(a) The name and address of the owner of the real property;

(b) The name and address of the contractor;

817 (c) A description sufficient to identify the real property818 to be improved; and

(d) The number or identifying symbol assigned to the
building permit by the issuing authority, which number or symbol
must be affixed to the application by the issuing authority.

(6) (a) In addition to any other information required by the
authority issuing the permit, the building permit application
must be in substantially the following form:

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826	Tax Folio No
827	BUILDING PERMIT APPLICATION
828	
829	Owner's Name
830	Owner's Address
831	Fee Simple Titleholder's Name (If other than owner)
832	Fee Simple Titleholder's Address (If other than owner)
833	City
834	State Zip
835	Contractor's Name
836	Contractor's Address
837	City
838	State Zip
839	Job Name
840	Job Address
841	City County
842	Legal Description
843	Bonding Company
844	Bonding Company Address
845	City State
846	Architect/Engineer's Name
847	Architect/Engineer's Address
848	Mortgage Lender's Name
849	Mortgage Lender's Address
850	
851	Application is hereby made to obtain a permit to do the
852	work and installations as indicated. I certify that no work or
853	installation has commenced prior to the issuance of a permit and
854	that all work will be performed to meet the standards of all



855	laws regulating construction in this jurisdiction. I understand
856	that a separate permit must be secured for ELECTRICAL WORK,
857	PLUMBING, SIGNS, WELLS, POOLS, FURNACES, BOILERS, HEATERS,
858	TANKS, and AIR CONDITIONERS, etc.
859	
860	OWNER'S AFFIDAVIT: I certify that all the foregoing information
861	is accurate and that all work will be done in compliance with
862	all applicable laws regulating construction and zoning.
863	
864	WARNING TO OWNER: IF YOU FAIL YOUR FAILURE TO RECORD A
865	NOTICE OF COMMENCEMENT, YOU MAY PAY RESULT IN YOUR
866	PAYING TWICE FOR IMPROVEMENTS TO YOUR PROPERTY. A
867	NOTICE OF COMMENCEMENT, AND THE CONTRACTOR'S PAYMENT
868	BOND IF THE PROJECT IS BONDED, MUST BE RECORDED AND
869	POSTED ON THE JOB SITE BEFORE THE FIRST INSPECTION.
870	
871	IF YOU INTEND TO OBTAIN FINANCING, CONSULT WITH YOUR
872	LENDER OR AN ATTORNEY BEFORE COMMENCING WORK OR
873	RECORDING YOUR NOTICE OF COMMENCEMENT.
874	
875	(Signature of Owner or Agent)
876	
877	(including contractor)
878	STATE OF FLORIDA
879	COUNTY OF
880	
881	Sworn to (or affirmed) and subscribed before me this
882	day of,(year), by(name of person making
883	statement)

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884	
885	(Signature of Notary Public - State of Florida)
886	(Print, Type, or Stamp Commissioned Name of Notary Public)
887	
888	Personally Known OR Produced Identification
889	
890	Type of Identification Produced
891	(Signature of Contractor)
892	
893	STATE OF FLORIDA
894	COUNTY OF
895	
896	Sworn to (or affirmed) and subscribed before me this
897	day of,(year), by(name of person making
898	statement)
899	(Signature of Notary Public - State of Florida)
900	(Print, Type, or Stamp Commissioned Name of Notary Public)
901	
902	Personally Known OR Produced Identification
903	
904	Type of Identification Produced
905	(Certificate of Competency Holder)
906	
907	Contractor's State Certification or Registration No
908	
909	Contractor's Certificate of Competency No
910	
911	APPLICATION APPROVED BY
912	Permit Officer

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922



913 (b) Consistent with the requirements of paragraph (a), an authority responsible for issuing building permits under this 914 915 section may accept a building permit application in an 916 electronic format, as prescribed by the authority. Building 917 permit applications submitted to the authority electronically 918 must contain the following additional statement in lieu of the 919 requirement in paragraph (a) that a signed, sworn, and notarized 920 signature of the owner or agent and the contractor be part of the owner's affidavit: 921

923 OWNER'S ELECTRONIC SUBMISSION STATEMENT: Under penalty of 924 perjury, I declare that all the information contained in this 925 building permit application is true and correct.

926 (c) An authority responsible for issuing building permit 927 applications which accepts building permit applications in an 928 electronic format shall provide public Internet access to the 929 electronic building permit applications in a searchable format.

930 (7) This section applies to every municipality and county 931 in the state which now has or hereafter may have a system of 932 issuing building permits for the construction of improvements or 933 for the alteration or repair of improvements on or to real 934 property located within the geographic limits of the issuing 935 authority.

936 (8) The Department of Business and Professional Regulation 937 shall furnish, in a consumer-friendly location on its website, 938 the general statement of an owner's rights and responsibilities 939 under Florida's Construction Lien Law, as described in s. 940 713.015, and the statutory forms for a notice of commencement, 941 waiver and release of lien upon progress payment, waiver and

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942	release of lien upon final payment, request for sworn statement
943	of account, and contractor's final payment affidavit, in
944	addition to any other consumer information relating to
945	construction that the department believes is beneficial to
946	consumers relating to licensing, insurance requirements, and
947	unlicensed activity.
948	Section 7. Section 713.137, Florida Statutes, is created to
949	read:
950	713.137 Prerequisites to inspection of improvements;
951	exceptions
952	(1) The authority issuing a building permit or a private
953	provider performing inspection services may not inspect the real
954	property being improved unless:
955	(a) The following documents have been filed with the
956	issuing authority:
957	1.a. A certified copy of the recorded notice of
958	commencement; or
959	b. A notarized statement that the notice of commencement
960	has been filed for recording, along with a copy of the notice.
961	2. If the permit is for a commercial project:
962	a. A copy of the contractor's recorded payment bond; or
963	b. A notarized statement of the contractor or owner stating
964	that a payment bond was not required.
965	3. A signed copy of the general statement of owner's rights
966	and responsibilities under Florida's Construction Lien Law, if
967	required by s. 713.015.
968	(b) The information in the notice of commencement filed
969	with the issuing authority is consistent with the building
970	permit application, complete, and legible.

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971	(2) This section does not apply to inspections of the
972	following improvements:
973	(a) The installation of temporary electrical service or
974	other temporary utility service, land clearing, or other
975	preliminary site work.
976	(b) Improvements pursuant to a direct contract in an amount
977	<u>of \$5,000 or less.</u>
978	(c) The repair or replacement of a heating or air-
979	conditioning system pursuant to a direct contract in an amount
980	<u>of \$7,500 or less.</u>
981	Section 8. Section 713.16, Florida Statutes, is amended to
982	read:
983	713.16 Demand for copy of contract and statements of
984	account; form
985	(1) A copy of the contract of a lienor or owner and a
986	statement of the amount due or to become due if fixed or
987	ascertainable thereon must be furnished by any party thereto,
988	upon written demand of an owner or a lienor contracting with or
989	employed by the other party to such contract. If the owner or
990	lienor refuses or neglects to furnish such copy of the contract
991	or such statement, or willfully and falsely states the amount
992	due or to become due if fixed or ascertainable under such
993	contract, any person who suffers any detriment thereby has a
994	cause of action against the person refusing or neglecting to
995	furnish the same or willfully and falsely stating the amount due
996	or to become due for his or her damages sustained thereby. The
997	information contained in such copy or statement furnished
998	pursuant to such written demand is binding upon the owner or
999	lienor furnishing it unless actual notice of any modification is

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1000 given to the person demanding the copy or statement before such 1001 person acts in good faith in reliance on it. The person 1002 demanding such documents must pay for the reproduction thereof; 1003 and, if such person fails or refuses to do so, he or she is 1004 entitled only to inspect such documents at reasonable times and 1005 places.

1006 (2) The owner may serve in writing a demand of any lienor 1007 for a written statement under oath of his or her account showing 1008 the nature of the labor or services performed and to be 1009 performed, if any, the materials furnished, the materials to be 1010 furnished, if known, the amount paid on account to date, the 1011 amount due, and the amount to become due, if known, as of the 1012 date of the statement by the lienor. Any such demand to a lienor 1013 must be served on the lienor at the address and to the attention 1014 of any person who is designated to receive the demand in the 1015 notice to owner served by such lienor and must include a description of the project, including the names of the owner, 1016 1017 the contractor, and the lienor's customer, sufficient for the 1018 lienor to properly identify the account in question. The failure 1019 or refusal to furnish the statement does not deprive the lienor 1020 of his or her lien if the demand is not served at the address of 1021 the lienor or directed to the attention of the person designated 1022 to receive the demand in the notice to owner. The failure or 1023 refusal to furnish the statement under oath within 30 days after the demand, or the furnishing of a false or fraudulent 1024 1025 statement, deprives the person so failing or refusing to furnish 1026 such statement of his or her lien. If the owner serves more than one demand for statement of account on a lienor and none of the 1027 1028 information regarding the account has changed since the lienor's
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1029	last response to a demand, the failure or refusal to furnish
1030	such statement does not deprive the lienor of his or her lien.
1031	The negligent inclusion or omission of any information deprives
1032	the person of his or her lien to the extent the owner can
1033	demonstrate prejudice from such act or omission by the lienor.
1034	The failure to furnish a response to a demand for statement of
1035	account does not affect the validity of any claim of lien being
1036	enforced through a foreclosure case filed prior to the date the
1037	demand for statement is received by the lienor.
1038	(3) A request for sworn statement of account must be in
1039	substantially the following form:
1040	REQUEST FOR SWORN STATEMENT OF ACCOUNT
1041	
1042	WARNING: YOUR FAILURE TO FURNISH THE REQUESTED STATEMENT, SIGNED
1043	UNDER OATH, WITHIN 30 DAYS OR THE FURNISHING OF A FALSE
1044	STATEMENT WILL RESULT IN THE LOSS OF YOUR LIEN.
1045	
1046	To:(Lienor's name and address)
1047	
1048	The undersigned hereby demands a written statement under oath of
1049	his or her account showing the nature of the labor or services
1050	performed and to be performed, if any, the materials furnished,
1051	the materials to be furnished, if known, the amount paid on
1052	account to date, the amount due, and the amount to become due,
1053	if known, as of the date of the statement for the improvement of
1054	real property identified as (property description)
1055	Name of contractor:
1056	Name of the lienor's customer (as specified in the lienor's
1057	Notice to Owner, if such notice has been served):

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1058 ... (signature and address of owner)... 1059 (date of request for sworn statement of account) 1060 (4) When a contractor has furnished a payment bond pursuant 1061 to s. 713.23, he or she may, when an owner makes any payment to 1062 the contractor or directly to a lienor, serve a written demand 1063 on any other lienor for a written statement under oath of his or 1064 her account showing the nature of the labor or services 1065 performed and to be performed, if any, the materials furnished, 1066 the materials to be furnished, if known, the amount paid on 1067 account to date, the amount due, and the amount to become due, 1068 if known, as of the date of the statement by the lienor. Any 1069 such demand to a lienor must be served on the lienor at the 1070 address and to the attention of any person who is designated to 1071 receive the demand in the notice to contractor served by such 1072 lienor. The failure or refusal to furnish the statement does not 1073 deprive the lienor of his or her rights under the bond if the 1074 demand is not served at the address of the lienor or directed to 1075 the attention of the person designated to receive the demand in 1076 the notice to contractor or if the demand does not include a 1077 description of the project, including the names of the owner, 1078 the contractor, and the lienor's customer as set forth in the 1079 lienor's notice to contractor, sufficient for the lienor to 1080 properly identify the account in question. The failure to 1081 furnish the statement within 30 days after the demand, or the 1082 furnishing of a false or fraudulent statement, deprives the 1083 person who fails to furnish the statement, or who furnishes the 1084 false or fraudulent statement, of his or her rights under the 1085 bond. If the contractor serves more than one demand for 1086 statement of account on a lienor and none of the information

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1087 regarding the account has changed since the lienor's last response to a demand, the failure or refusal to furnish such 1088 1089 statement does not deprive the lienor of his or her rights under 1090 the bond. The negligent inclusion or omission of any information 1091 deprives the person of his or her rights under the bond to the 1092 extent the contractor can demonstrate prejudice from such act or 1093 omission by the lienor. The failure to furnish a response to a 1094 demand for statement of account does not affect the validity of 1095 any claim on the bond being enforced in a lawsuit filed prior to 1096 the date the demand for statement of account is received by the 1097 lienor.

(5) (a) Any lienor who <u>submits or mails</u> has recorded a claim of lien <u>to the clerk for recording</u> may make written demand on the owner for a written statement under oath showing:

1101 1. The amount of the direct contract under which the lien 1102 was recorded;

1103 2. The dates and amounts paid or to be paid by or on behalf 1104 of the owner for all improvements described in the direct 1105 contract;

1106 3. The reasonable estimated costs of completing the direct 1107 contract under which the lien was claimed pursuant to the scope 1108 of the direct contract; and

1109

4. If known, the actual cost of completion.

(b) Any owner who does not provide the statement within 30 days after demand, or who provides a false or fraudulent statement, is not a prevailing party for purposes of an award of attorney's fees under s. 713.29. The written demand must include the following warning in conspicuous type in substantially the following form:

3/24/2010 12:02:54 PM



1116 WARNING: YOUR FAILURE TO FURNISH THE REQUESTED STATEMENT 1117 WITHIN 30 DAYS OR THE FURNISHING OF A FALSE STATEMENT WILL 1118 RESULT IN THE LOSS OF YOUR RIGHT TO RECOVER ATTORNEY FEES IN ANY 1119 ACTION TO ENFORCE THE CLAIM OF LIEN OF THE PERSON REQUESTING 1120 THIS STATEMENT.

1121 (6) Any written demand served on the owner shall include a 1122 description of the project, including the names of the 1123 contractor and the lienor's customer as set forth in the 1124 lienor's notice to owner, sufficient for the owner to properly 1125 identify the project in question.

1126 <u>(7) (6)</u> For purposes of this section, the term "information" 1127 means the nature and quantity of the labor, services, and 1128 materials furnished or to be furnished by a lienor and the 1129 amount paid, the amount due, and the amount to become due on the 1130 lienor's account.

1131 Section 9. Section 713.18, Florida Statutes, is amended to 1132 read:

713.18 Manner of serving notices and other instruments.-

(1) Service of notices, claims of lien, affidavits, assignments, and other instruments permitted or required under this part, or copies thereof when so permitted or required, unless otherwise specifically provided in this part, must be made by one of the following methods:

(a) By actual delivery to the person to be served; if a partnership, to one of the partners; if a corporation, to an officer, director, managing agent, or business agent; or, if a limited liability company, to a member or manager.

(b) By sending the same by <u>common carrier delivery service</u> or registered, global express guaranteed, or certified mail_r

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COMMITTEE AMENDMENT

Florida Senate - 2010 Bill No. CS for SB 1048



1145 with postage prepaid, and or by overnight or second-day delivery with evidence of delivery, which may be in an electronic format. 1146 1147 (c) If the method specified in paragraph (a) or paragraph (b) cannot be accomplished, By posting on the site of the 1148 1149 improvement if service as provided by paragraph (a) or paragraph 1150 (b) cannot be accomplished premises. 1151 (2) Notwithstanding subsection (1), service of $\frac{1}{1}$ a notice 1152 to owner, a notice to contractor under s. 713.23, or a 1153 preliminary notice under s. 255.05 is mailed by registered or 1154 certified mail with postage prepaid to the person to be served at any of the addresses set forth in subsection (3) within 40 1155 1156 days after the date the lienor first furnishes labor, services, 1157 or materials, service of that notice is effective as of the date 1158 of mailing if: (a) The notice is mailed by registered, global express 1159 guaranteed, or certified mail, with postage prepaid, to the 1160 1161 person to be served at any of the addresses set forth in 1162 subsection (3); 1163 (b) The notice is mailed within 40 days after the date the 1164 lienor first furnishes labor, services, or materials; and

1165 <u>(c)1.</u> The person who served the notice maintains a 1166 registered or certified mail log that shows the registered or 1167 certified mail number issued by the United States Postal 1168 Service, the name and address of the person served, and the date 1169 stamp of the United States Postal Service confirming the date of 1170 mailing; or if

1171 <u>2.</u> The person who served the notice maintains electronic 1172 tracking records generated through use of the United States 1173 Postal Service Confirm service or a similar service containing

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1174 the postal tracking number, the name and address of the person 1175 served, and verification of the date of receipt by the United 1176 States Postal Service.

1177 (3) (a) Service of If an instrument served pursuant to this
1178 section is effective on the date of mailing if the instrument:

1179 <u>1. Was sent</u> to the last address shown in the notice of 1180 commencement or any amendment thereto or, in the absence of a 1181 notice of commencement, to the last address shown in the 1182 building permit application, or to the last known address of the 1183 person to be served<u>; and, is not received</u>, but

<u>2.</u> Is returned as being "refused," "moved, not forwardable," or "unclaimed," or is otherwise not delivered or deliverable through no fault of the person serving the item_{au} then service is effective on the date the instrument was sent.

1188 (b) If the address information shown in the notice of 1189 commencement or any amendment to the notice, or in the absence 1190 of a notice of commencement, in the building permit application, 1191 is incomplete for purposes of mailing or delivery, the person 1192 serving the item may complete the address and properly format it 1193 according to United States Postal Service addressing standards 1194 using information obtained from the property appraiser or 1195 another public record or directory without affecting the 1196 validity of service under this section.

(4) <u>A notice served by a lienor on one owner or one partner</u> of a partnership owning the real property If the real property is owned by more than one person or a partnership, a lienor may serve any notices or other papers under this part on any one of such owners or partners, and such notice is deemed notice to all owners and partners.

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1203 Section 10. Section 713.22, Florida Statutes, is amended to 1204 read:

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713.22 Duration of lien.-

1206 (1) A No lien provided by this part may not shall continue 1207 for a longer period than 1 year after the claim of lien has been 1208 recorded or 1 year after the recording of an amended claim of 1209 lien that shows a later date of final furnishing of labor, 1210 services, or materials, unless within that time an action to 1211 enforce the lien is commenced in a court of competent 1212 jurisdiction. A lien that has been continued beyond the 1-year 1213 period The continuation of the lien effected by the commencement 1214 of an the action is shall not enforceable be good against 1215 creditors or subsequent purchasers for a valuable consideration 1216 and without notice, unless a notice of lis pendens is recorded.

(2) An owner or the owner's agent or attorney may elect to shorten the time prescribed in subsection (1) within which to commence an action to enforce any claim of lien or claim against a bond or other security under s. 713.23 or s. 713.24 by recording in the clerk's office a notice in substantially the following form:

NOTICE OF CONTEST OF LIEN

1224 To: ... (Name and address of lienor)...

You are notified that the undersigned contests the claim of lien filed by you on ..., ...(year)..., and recorded in Book, 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 60 days from the date of service of this notice. This day of, ...(year)....

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

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1233 The lien of any lienor upon whom such notice is served and who 1234 fails to institute a suit to enforce his or her lien within 60 1235 days after service of such notice shall be extinguished 1236 automatically. The clerk shall mail a copy of the notice of 1237 contest to the lien claimant at the address shown in the claim 1238 of lien or most recent amendment thereto, by certified or 1239 registered mail, return receipt requested, and shall certify to 1240 such service on the face of such notice and record the notice. 1241 Service shall be deemed complete upon mailing.

1242 Section 11. Paragraph (e) of subsection (1) and subsections 1243 (2) and (4) of section 713.23, Florida Statutes, are amended to 1244 read:

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713.23 Payment bond.-

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1247 (e) An No action for the labor or materials or supplies may not be instituted or prosecuted against the contractor or surety 1248 1249 unless both notices have been given. An No action may not shall 1250 be instituted or prosecuted against the contractor or against 1251 the surety on the bond under this section after 1 year from the 1252 performance of the labor or completion of delivery of the 1253 materials and supplies. The time period for bringing an action 1254 against the contractor or surety on the bond shall be measured 1255 from the last day of furnishing labor, services, or materials by 1256 the lienor. The time period may and shall not be measured by 1257 other standards, such as the issuance of a certificate of 1258 occupancy or the issuance of a certificate of substantial 1259 completion. A contractor or the contractor's agent or attorney 1260 may elect to shorten the prescribed time within which an action

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1261	to enforce any claim against a payment bond provided under this
1262	section or s. 713.245 <u>must</u> may be commenced at any time after a
1263	notice of nonpayment, if required, has been served for the claim
1264	by recording in the clerk's office a notice in substantially the
1265	following form:
1266	NOTICE OF CONTEST OF CLAIM
1267	AGAINST PAYMENT BOND
1268	To: (Name and address of lienor)
1269	You are notified that the undersigned contests your notice
1270	of nonpayment, dated,, and served on the undersigned
1271	on \ldots , \ldots , and that the time within which you may file suit
1272	to enforce your claim is limited to 60 days from the date of
1273	service of this notice.
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1275	DATED on,
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1277	Signed:(Contractor or Attorney)
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1279	The claim of any lienor upon whom the notice is served and who
1280	fails to institute a suit to enforce his or her claim against
1281	the payment bond within 60 days after service of the notice
1282	shall be extinguished automatically. The clerk shall mail a copy
1283	of the notice of contest to the lienor at the address shown in
1284	the notice of nonpayment or most recent amendment thereto, by
1285	certified or registered mail, return receipt requested, and
1286	shall certify to such service on the face of the notice and
1287	record the notice. Service is complete upon mailing.
1288	(2) The bond shall secure every lien under the direct
1289	contract accruing subsequent to its execution and delivery,

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1290 except that of the contractor. Every claim of lien, except that 1291 of the contractor, filed subsequent to execution and delivery of 1292 the bond shall be transferred to it with the same effect as liens transferred under s. 713.24. Record notice of the transfer 1293 1294 shall be effected by the contractor, or any person having an 1295 interest in the property against which the claim of lien has 1296 been asserted, by recording in the clerk's office a notice in 1297 substantially the following form: 1298 NOTICE OF BOND 1299 1300 To ... (Name and Address of Lienor) ... 1301 1302 You are notified that the claim of lien filed by you on, 1303, and recorded in Official Records Book at page of 1304 the public records of County, Florida, is secured by a 1305 bond, a copy being attached. 1306 1307 Signed: ... (Name of person recording notice) ... 1308 1309 The notice shall be verified. The clerk shall mail a copy of the 1310 notice to the lienor at the address shown in the claim of lien, 1311 or the most recent amendment to it; shall certify to the service on the face of the notice; and shall record the notice. The 1312 1313 clerk shall receive the same fee as prescribed in s. 713.24 s. 1314 713.24(1) for certifying to a transfer of lien. 1315 (4) The provisions of s. 713.24(7) s. 713.24(3) shall apply 1316 to bonds under this section. Section 12. Section 713.24, Florida Statutes, is amended to 1317 1318 read:



1319 713.24 Transfer of liens to security.-

(1) <u>A</u> Any lien claimed under this part may be transferred,
by <u>a</u> any person having an interest in the real property upon
which the lien is imposed or the contract under which the lien
is claimed, from such real property to other security by either:

(a) Depositing in the clerk's office a sum of money; or
(b) Filing in the clerk's office a bond executed as surety

by a surety insurer licensed to do business in this state. $_{ au}$ 1326 1327 (2) The security must either to be in an amount equal: to 1328 (a) The amount demanded in the such claim of lien; τ plus 1329 (b) Interest on the claim thereon at the legal rate for 3 1330 years, plus \$1,000 or 25 percent of the amount demanded in the 1331 claim of lien, whichever is greater, to apply on any attorney's 1332 fees and court costs that may be taxed in any proceeding to enforce the said lien. 1333

1334 <u>(3) The security</u> Such deposit or bond shall be conditioned 1335 to pay any judgment or decree <u>that</u> which may be rendered for the 1336 satisfaction of the lien for which such claim of lien was 1337 recorded.

1338 (4) A Upon making such deposit or filing such bond, the 1339 clerk who receives other security for a lien:

(a) Shall make and record a certificate showing the 1340 transfer of the lien from the real property to the security. The 1341 1342 clerk and shall serve mail a copy of the certificate and a copy 1343 of the bond, if the lien was transferred to a bond, on thereof 1344 by registered or certified mail to the lienor named in the claim 1345 of lien so transferred, at the address stated in the claim therein. When Upon filing the certificate of transfer is 1346 1347 recorded, the real property is shall thereupon be released from

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1348 the lien claimed, and <u>the such</u> lien <u>is shall be</u> transferred to 1349 <u>the other said</u> security.

(b) May collect a service charge of no more than \$20 for making and serving the certificate. The clerk may collect an additional charge of no more than \$10 for each additional lien transferred to the security. The clerk shall receive the statutory service charges as prescribed in s. 28.24 for recording the certificate and approving the bond.

1356 (5) In the absence of allegations of privity between the 1357 lienor and the owner, and subject to any order of the court 1358 increasing the amount required for the lien transfer deposit or 1359 bond, no other judgment or decree to pay money may be entered by 1360 the court against the owner. The clerk shall be entitled to a 1361 service charge for making and serving the certificate, in the amount of up to \$20. If the transaction involves the transfer of 1362 1363 multiple liens, an additional charge of up to \$10 for each 1364 additional lien shall be charged. For recording the certificate and approving the bond, the clerk shall receive her or his usual 1365 1366 statutory service charges as prescribed in s. 28.24. Any number 1367 of liens may be transferred to one such security.

1368 (6) (2) Any excess of the security over the aggregate amount 1369 of any judgments or decrees rendered plus costs actually taxed 1370 shall be repaid to the party filing the same or her or his 1371 successor in interest. Any deposit of money shall be considered 1372 as paid into court and <u>is shall be</u> subject to the provisions of 1373 law relative to payments of money into court and the disposition 1374 of same.

1375 <u>(7)</u> (3) Any party having an interest in such security or the 1376 property from which the lien was transferred may at any time,



1377 and any number of times, file a complaint in chancery in the 1378 circuit court of the county where such security is deposited, or 1379 file a motion in a pending action to enforce a lien, for an 1380 order to require additional security, reduction of security, 1381 change or substitution of sureties, payment of discharge 1382 thereof, or any other matter affecting the said security. If the 1383 court finds that the amount of the deposit or bond in excess of 1384 the amount claimed in the claim of lien is insufficient to pay 1385 the lienor's attorney's fees and court costs incurred in the action to enforce the lien, the court must increase the amount 1386 1387 of the cash deposit or lien transfer bond. Nothing in This 1388 section does not shall be construed to vest exclusive jurisdiction in the circuit courts over transfer bond claims for 1389 1390 nonpayment of an amount within the monetary jurisdiction of the 1391 county courts.

1392 (8) (4) If a proceeding to enforce a transferred lien is not 1393 commenced within the time specified in s. 713.22 or if it appears that the transferred lien has been satisfied of record, 1394 1395 the clerk shall return the said security upon request of the 1396 person depositing or filing the same, or the insurer. If a 1397 proceeding to enforce a lien is commenced in a court of 1398 competent jurisdiction within the time specified in s. 713.22 1399 and, during such proceeding, the lien is transferred pursuant to 1400 this section or s. 713.13(1)(e), an action commenced within 1 1401 year after the transfer, unless otherwise shortened by operation 1402 of law, in the same county or circuit court to recover against 1403 the security shall be deemed to have been brought as of the date 1404 of filing the action to enforce the lien, and the court has 1405 shall have jurisdiction over the action.



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1406	Section 13. This act shall take effect October 1, 2010.
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1408	=========== T I T L E A M E N D M E N T ================
1409	And the title is amended as follows:
1410	Delete everything before the enacting clause
1411	and insert:
1412	A bill to be entitled
1413	An act relating to construction bonds; amending s.
1414	255.05, F.S.; requiring that a contractor record in
1415	the official records a payment bond for a public works
1416	construction project; requiring that the bond number
1417	be stated on the first page of a bond; prohibiting the
1418	issuing authority for a building permit or a private
1419	provider performing inspection services from
1420	inspecting the property being improved until certain
1421	documents are filed; providing that a payment and
1422	performance bond is not required for certain
1423	contracts; authorizing certain entities to exempt
1424	certain contracts from the requirement for a payment
1425	and performance bond; requiring the clerk of court to
1426	mail a notice of contest of lien by certified or
1427	registered mail; amending s. 713.015, F.S.; requiring
1428	that a contractor provide an owner with a general
1429	statement of an owner's rights and responsibilities
1430	under Florida's Construction Lien Law; requiring that
1431	a signed copy of the statement be filed with the
1432	building permit application; specifying the form and
1433	content of the statement; deleting the requirement
1434	that notice be included in the direct contract between
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1435 the contractor and the owner; amending s. 713.06, F.S.; revising the form of a notice for liens of 1436 1437 persons not in privity with the owner; amending s. 1438 713.09, F.S.; including units in provisions relating 1439 to a single claim of lien; deleting certain 1440 requirements relating to direct contracts; amending s. 1441 713.13, F.S.; revising the form of the notice of 1442 commencement; requiring the posting of a payment bond 1443 on a job site; amending s. 713.135, F.S.; revising the 1444 warning to the owner printed on certain permit cards; 1445 deleting a requirement relating to filing a notice of 1446 commencement before certain inspections; revising the 1447 warning to the owner provided on a building permit 1448 form; deleting provisions requiring the authority issuing a building permit to provide certain 1449 1450 statements and information; requiring the Department 1451 of Business and Professional Regulation to include 1452 forms and information relating to the construction 1453 lien laws on its website; creating s. 713.137, F.S.; 1454 prohibiting the authority issuing a building permit or 1455 a private provider performing inspection services from 1456 inspecting an improvement until certain documents have 1457 been filed and the information in the notice of 1458 commencement meets certain standards; providing 1459 exceptions; amending s. 713.16, F.S.; revising 1460 requirements for demands for a copy of a construction 1461 contract and a statement of account; authorizing a lienor who submits or mails a claim of lien to the 1462 1463 clerk for recording to make certain demands to an

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1464 owner for certain written statements; providing 1465 requirements for such written demands; amending s. 1466 713.18, F.S.; providing additional methods by which 1467 certain items may be served by mail; specifying 1468 information required on certain written instruments 1469 under certain circumstances; amending s. 713.22, F.S.; 1470 requiring that the clerk of court serve a notice of 1471 contest of lien; amending s. 713.23, F.S.; requiring that the clerk of court mail a notice of contest of 1472 1473 nonpayment by certified or registered mail; conforming 1474 cross-references; amending s. 713.24, F.S.; requiring 1475 that the clerk of court mail, by certified or 1476 registered mail, a copy of the certificate showing the 1477 transfer of a lien and a copy of the security if the 1478 lien is transferred to a security; authorizing a clerk 1479 to collect certain service charges under certain 1480 circumstances; providing an effective date.