

A bill to be entitled

An act relating to condominiums; amending s. 718.116, F.S.; providing requirements for assessments against a bulk owner; amending s. 718.117, F.S.; providing legislative intent; providing that rejection of a plan results in failure of the termination of the condominium; providing requirements for unit owners facing optional termination who do not want to relinquish their property; defining the term "fair market value"; authorizing a bulk owner or successor developer to vote to terminate a condominium under certain conditions; providing an effective date.

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

Section 1. Subsection (12) is added to section 718.116, Florida Statutes, to read:

718.116 Assessments; liability; lien and priority; interest; collection.—

(12) An assessment against any unit owned by a bulk owner may not be less than similar assessments due by unit owners in the same condominium.

Section 2. Subsections (1) and (3) of section 718.117, Florida Statutes, are amended, and subsection (21) is added to that section to read:

718.117 Termination of condominium.—

27 (1) LEGISLATIVE FINDINGS.—The Legislature finds that
28 condominiums are created as authorized by statute. In
29 circumstances that may create economic waste, areas of
30 disrepair, or obsolescence of a condominium property for its
31 intended use and thereby lower property tax values, the
32 Legislature further finds that it is the public policy of this
33 state to provide by statute a method to preserve the value of
34 the property interests and the rights of alienation thereof that
35 owners have in the condominium property before and after
36 termination. The Legislature further finds that it is contrary
37 to the public policy of this state to require the continued
38 operation of a condominium when to do so constitutes economic
39 waste or when the ability to do so is made impossible by law or
40 regulation. The Legislature does not intend that termination be
41 used to replace individual property rights of single unit
42 owners, or groups of owners, against their will except as
43 provided in subsection (2). This section applies to all
44 condominiums in this state in existence on or after July 1,
45 2007.

46 (3) OPTIONAL TERMINATION.—

47 (a) Except as provided in subsection (2) or unless the
48 declaration provides for a lower percentage, the condominium
49 form of ownership may be terminated for all or a portion of the
50 condominium property pursuant to a plan of termination approved
51 by at least 80 percent of the total voting interests of the
52 condominium if no more than 10 percent of the total voting

53 interests of the condominium have rejected the plan of
54 termination by negative vote or by providing written objections.
55 Rejection of a plan results in failure of the termination of the
56 condominium. This subsection does not apply to condominiums in
57 which 75 percent or more of the units are timeshare units.

58 (b) If termination is for reasons other than those
59 provided in subsection (2), regardless of the percentage of
60 total voting interests rejecting or approving the plan of
61 termination under paragraph (a), owners who do not want to
62 relinquish their property shall receive compensation equal to
63 110 percent of the original purchase price of his or her unit or
64 110 percent of the fair market value of his or her unit,
65 whichever is greater. For purposes of this subsection, the term
66 "fair market value" means the price of a unit that a seller is
67 willing to accept and a buyer is willing to pay on the open
68 market in an arms-length transaction based on similar units sold
69 in other condominiums, not including units sold at wholesale or
70 at distressed prices, but including those sold in bulk
71 purchases.

72 (21) BULK OWNERS AND SUCCESSOR DEVELOPERS.—A bulk owner or
73 successor developer may vote to terminate a condominium pursuant
74 to subsections (2) or (3) if the bulk owner or successor
75 developer is current on all assessments. The vote may not reduce
76 the annual budget below the amount necessary to properly
77 maintain the condominium and the association reserves, as
78 required by the act.

HB 1061

2014

79

Section 3. This act shall take effect July 1, 2014.