

By Senator Latvala

20-01228-14

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1                   A bill to be entitled  
2       An act relating to condominiums; amending s. 718.117,  
3       F.S.; clarifying legislative intent; providing  
4       requirements for unit owners facing optional  
5       termination who do not want to relinquish their  
6       property; defining the term "fair market value";  
7       providing an effective date.

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

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11       Section 1. Subsections (1) and (3) of section 718.117,  
12       Florida Statutes, are amended to read:

13       718.117 Termination of condominium.—

14       (1) LEGISLATIVE FINDINGS.—The Legislature finds that  
15       condominiums are created as authorized by statute. In  
16       circumstances that may create economic waste, areas of  
17       disrepair, or obsolescence of a condominium property for its  
18       intended use and thereby lower property tax values, the  
19       Legislature further finds that it is the public policy of this  
20       state to provide by statute a method to preserve the value of  
21       the property interests and the rights of alienation thereof that  
22       owners have in the condominium property before and after  
23       termination. The Legislature further finds that it is contrary  
24       to the public policy of this state to require the continued  
25       operation of a condominium when to do so constitutes economic  
26       waste or when the ability to do so is made impossible by law or  
27       regulation. The Legislature does not intend that termination be  
28       used to replace individual property rights of single unit  
29       owners, or groups of owners, against their will except as

20-01228-14

20141546\_\_

30 provided in subsection (2). This section applies to all  
31 condominiums in this state in existence on or after July 1,  
32 2007.

33 (3) OPTIONAL TERMINATION.—

34 (a) Except as provided in subsection (2) or unless the  
35 declaration provides for a lower percentage, the condominium  
36 form of ownership may be terminated for all or a portion of the  
37 condominium property pursuant to a plan of termination approved  
38 by at least 80 percent of the total voting interests of the  
39 condominium if no more than 10 percent of the total voting  
40 interests of the condominium have rejected the plan of  
41 termination by negative vote or by providing written objections.  
42 This subsection does not apply to condominiums in which 75  
43 percent or more of the units are timeshare units.

44 (b) If termination is for reasons other than those provided  
45 in subsection (2), regardless of the percentage of total voting  
46 interests rejecting or approving the plan of termination under  
47 paragraph (a), owners who do not want to relinquish their  
48 property shall receive compensation equal to 110 percent of the  
49 original purchase price of his or her unit or 110 percent of the  
50 fair market value of his or her unit, whichever is greater. For  
51 purposes of this subsection, the term "fair market value" means  
52 the price of a unit that a seller is willing to accept and a  
53 buyer is willing to pay on the open market in an arms-length  
54 transaction based on similar units sold in other condominiums,  
55 not including units sold at wholesale or at distressed prices,  
56 but including those sold in bulk purchases.

57 Section 2. This act shall take effect July 1, 2014.