

26 (b) In some circumstances, the continued enforcement of
 27 those covenants ~~that~~ may create economic waste, areas of
 28 disrepair that threaten the safety and welfare of the public, or
 29 cause obsolescence of the a condominium property for its
 30 intended use and thereby lower property tax values, and ~~the~~
 31 ~~Legislature further finds that~~ it is the public policy of this
 32 state to provide by statute a method to preserve the value of
 33 the property interests and the rights of alienation thereof that
 34 owners have in the condominium property before and after
 35 termination.

36 (c) The Legislature further finds that It is contrary to
 37 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.

41 (d) It is in the best interest of the state to provide for
 42 termination of the covenants of a declaration of condominium in
 43 certain circumstances, in order to:

44 1. Ensure the continued maintenance, management, and
 45 repair of stormwater management systems, conservation areas, and
 46 conservation easements.

47 2. Avoid transferring the expense of maintaining
 48 infrastructure serving the condominium property, including, but
 49 not limited to, stormwater systems and conservation areas to the
 50 general tax bases of the state and local governments.

51 3. Prevent covenants from impairing the continued
52 productive use of the property.

53 4. Protect state residents from health and safety hazards
54 created by derelict, damaged, obsolete, or abandoned condominium
55 properties.

56 5. Preserve the property rights of individuals, property
57 values, and the local property tax base.

58 6. Preserve the state's long history of protecting
59 homestead property and homestead property rights by ensuring
60 that such protection is extended to homestead property owners in
61 the context of a termination of the covenants of a declaration
62 of condominium. This section applies to all condominiums in this
63 state in existence on or after July 1, 2007.

64 (3) OPTIONAL TERMINATION. ~~Except as provided in subsection~~
65 ~~(2) or unless the declaration provides for a lower percentage,~~
66 The condominium form of ownership may be terminated for all or a
67 portion of the condominium property pursuant to a plan of
68 termination meeting the requirements of this section and
69 approved by the division. Before an association submits a plan
70 to the division, the plan must be approved by at least 80
71 percent of the total voting interests of the condominium.
72 However, if 5 ~~10~~ percent or more of the total voting interests
73 of the condominium have rejected the plan of termination by
74 negative vote or by providing written objections, the plan of
75 termination may not proceed.

76 (a) The termination of the condominium form of ownership
77 is subject to the following conditions:

78 1. The total voting interests of the condominium must
79 include all voting interests for the purpose of considering a
80 plan of termination. A voting interest of the condominium may
81 not be suspended for any reason when voting on termination
82 pursuant to this subsection.

83 2. If 5 ~~10~~ percent or more of the total voting interests
84 of the condominium reject a plan of termination, a subsequent
85 plan of termination pursuant to this subsection may not be
86 considered for 24 ~~18~~ months after the date of the rejection.

87 (b) This subsection does not apply to any condominium
88 created pursuant to part VI of this chapter until 10 ~~5~~ years
89 after the recording of the declaration of condominium, unless
90 there is no objection to the plan of termination.

91 (c) For purposes of this subsection, the term "bulk owner"
92 means the single holder of such voting interests or an owner
93 together with a related entity or entities that would be
94 considered an insider, as defined in s. 726.102, holding such
95 voting interests. If the condominium association is a
96 residential association proposed for termination pursuant to
97 this section and, at the time of recording the plan of
98 termination, at least 80 percent of the total voting interests
99 are owned by a bulk owner, the plan of termination is subject to
100 the following conditions and limitations:

101 1. If the former condominium units are offered for lease
102 to the public after the termination, each unit owner in
103 occupancy immediately before the date of recording of the plan
104 of termination may lease his or her former unit and remain in
105 possession of the unit for 12 months after the effective date of
106 the termination on the same terms as similar unit types within
107 the property are being offered to the public. In order to obtain
108 a lease and exercise the right to retain exclusive possession of
109 the unit owner's former unit, the unit owner must make a written
110 request to the termination trustee to rent the former unit
111 within 90 days after the date the plan of termination is
112 recorded. Any unit owner who fails to timely make such written
113 request and sign a lease within 15 days after being presented
114 with a lease is deemed to have waived his or her right to retain
115 possession of his or her former unit and shall be required to
116 vacate the former unit upon the effective date of the
117 termination, unless otherwise provided in the plan of
118 termination.

119 2. Any former unit owner whose unit was granted homestead
120 exemption status by the applicable county property appraiser as
121 of the date of the recording of the plan of termination shall be
122 paid a relocation payment in an amount equal to 1 percent of the
123 termination proceeds allocated to the owner's former unit. Any
124 relocation payment payable under this subparagraph shall be paid
125 by the single entity or related entities owning at least 80

126 percent of the total voting interests. Such relocation payment
127 shall be in addition to the termination proceeds for such
128 owner's former unit and shall be paid no later than 10 days
129 after the former unit owner vacates his or her former unit.

130 3. For their respective units, all unit owners other than
131 the bulk owner must be compensated at least 100 percent of the
132 fair market value of their units. The fair market value shall be
133 determined as of a date that is no earlier than 90 days before
134 the date that the plan of termination is recorded and shall be
135 determined by an independent appraiser selected by the
136 termination trustee. For a person ~~an original purchaser from the~~
137 ~~developer~~ who rejects the plan of termination and whose unit was
138 granted homestead exemption status by the applicable county
139 property appraiser, or was an owner-occupied operating business,
140 as of the date that the plan of termination is recorded and who
141 is current in payment of both assessments and other monetary
142 obligations to the association ~~and any mortgage encumbering the~~
143 ~~unit~~ as of the date the plan of termination is recorded, the
144 fair market value for the unit owner rejecting the plan shall be
145 at least the original purchase price paid for the unit. For
146 purposes of this subparagraph, the term "fair market value"
147 means the price of a unit that a seller is willing to accept and
148 a buyer is willing to pay on the open market in an arms-length
149 transaction based on similar units sold in other condominiums,
150 including units sold in bulk purchases but excluding units sold

151 at wholesale or distressed prices. The purchase price of units
152 acquired in bulk following a bankruptcy or foreclosure shall not
153 be considered for purposes of determining fair market value.

154 4. The plan of termination must provide for payment of a
155 first mortgage encumbering a unit to the extent necessary to
156 satisfy the lien, but the payment may not exceed the unit's
157 share of the proceeds of termination under the plan. If the unit
158 owner is current in payment of both assessments and other
159 monetary obligations to the association and any mortgage
160 encumbering the unit as of the date the plan of termination is
161 recorded, the receipt by the holder of the unit's share of the
162 proceeds of termination under the plan or the outstanding
163 balance of the mortgage, whichever is less, shall be deemed to
164 have satisfied the first mortgage in full.

165 5. Before a plan of termination is presented to the unit
166 owners for consideration pursuant to this paragraph, the plan
167 must include the following written disclosures in a sworn
168 statement:

169 a. The identity of any person or entity that owns or
170 controls 25 ~~50~~ percent or more of the units in the condominium
171 and, if the units are owned by an artificial entity or entities,
172 a disclosure of the natural person or persons who, directly or
173 indirectly, manage or control the entity or entities and the
174 natural person or persons who, directly or indirectly, own or
175 control 10 ~~20~~ percent or more of the artificial entity or

176 entities that constitute the bulk owner.

177 b. The units acquired by any bulk owner, the date each
178 unit was acquired, and the total amount of compensation paid to
179 each prior unit owner by the bulk owner, regardless of whether
180 attributed to the purchase price of the unit.

181 c. The relationship of any board member to the bulk owner
182 or any person or entity affiliated with the bulk owner subject
183 to disclosure pursuant to this subparagraph.

184 d. The factual circumstances that show that the plan
185 complies with the requirements of this section and that the plan
186 supports the expressed public policies of this section.

187 (d) If the members of the board of administration are
188 elected by the bulk owner, unit owners other than the bulk owner
189 may elect at least one-third of the members of the board of
190 administration before the approval of any plan of termination.

191 (e) Upon approval of a plan of termination by the unit
192 owners, the plan shall be filed with the division. If the
193 division determines that the conditions required by this section
194 have been met and the plan complies with the procedural
195 requirements of this section, the division shall authorize the
196 termination and the termination may proceed pursuant to this
197 section.

198 (f) The provisions of subsection (2) do not apply to
199 optional termination pursuant to this subsection.

200 (21) APPLICABILITY.—This section applies to all

201 condominiums in this state in existence on or after July 1,
202 2007.

203 Section 2. The amendments made by this act are intended to
204 clarify existing law, are remedial in nature and intended to
205 address the rights and liabilities of the affected parties, and
206 apply to all condominiums created under the Condominium Act.

207 Section 3. For the 2017-2018 fiscal year, the sums of
208 \$85,006 in recurring funds and \$4,046 in nonrecurring funds from
209 the Division of Florida Condominiums, Timeshares, and Mobile
210 Homes Trust Fund are appropriated to the Department of Business
211 and Professional Regulation and one full-time equivalent
212 position with associated salary rate of 56,791 is authorized,
213 for the purpose of implementing this act.

214 Section 4. This act shall take effect July 1, 2017.