HB617, Engrossed 1

1	A bill to be entitled
2	An act relating to covenants and restrictions;
3	creating s. 712.001, F.S.; providing a short title;
4	amending s. 712.01, F.S.; defining and redefining
5	terms; amending s. 712.05, F.S.; revising the notice
6	filing requirements for a person claiming an interest
7	in land and other rights; authorizing a property
8	owners' association to preserve and protect certain
9	covenants or restrictions from extinguishment, subject
10	to specified requirements; providing that a failure in
11	indexing does not affect the validity of the notice;
12	extending the length of time certain covenants or
13	restrictions are preserved; deleting a provision
14	requiring a two-thirds vote by members of an
15	incorporated homeowners' association to file certain
16	notices; providing that a property owners' association
17	or clerk of the circuit court is not required to
18	provide certain additional notice for a specified
19	notice that is filed; conforming provisions to changes
20	made by the act; amending s. 712.06, F.S.; exempting a
21	specified summary notice and amendment from certain
22	notice content requirements; revising the contents
23	required to be specified by certain notices;
24	conforming provisions to changes made by the act;
25	amending s. 712.11, F.S.; conforming provisions to
	Dame 1 of 29

Page 1 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

26 changes made by the act; creating s. 712.12, F.S.; 27 defining terms; authorizing the parcel owners of a 28 community not subject to a homeowners' association to 29 use specified procedures to revive certain covenants 30 or restrictions, subject to certain exceptions and requirements; authorizing a parcel owner to commence 31 32 an action by a specified date under certain circumstances for a judicial determination that the 33 covenants or restrictions did not govern that parcel 34 35 as of a specified date and that any revitalization of 36 such covenants or restrictions as to that parcel would 37 unconstitutionally deprive the parcel owner of rights or property; providing applicability; amending s. 38 39 720.303, F.S.; requiring a board to take up certain provisions relating to notice filings at the first 40 board meeting; creating s. 720.3032, F.S.; requiring 41 42 any property owners' association desiring to preserve 43 covenants from potential termination after a specified period by certain operation to record in the official 44 records of each county in which the community is 45 located a notice subject to certain requirements; 46 47 providing a document form for recording by an 48 association to preserve certain covenants or 49 restrictions; requiring a copy of the filed notice to 50 be sent to all members; requiring the original signed

Page 2 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

51	notice to be recorded with the clerk of the circuit
52	court or other recorder; amending ss. 702.09 and
53	702.10, F.S.; conforming provisions to changes made by
54	the act; amending s. 712.095, F.S.; conforming a
55	cross-reference; amending ss. 720.403, 720.404,
56	720.405, and 720.407, F.S.; conforming provisions to
57	changes made by the act; providing an effective date.
58	
59	Be It Enacted by the Legislature of the State of Florida:
60	
61	Section 1. Section 712.001, Florida Statutes, is created
62	to read:
63	712.001 Short titleThis chapter may be cited as the
64	"Marketable Record Title Act."
65	Section 2. Section 712.01, Florida Statutes, is reordered
66	and amended to read:
67	712.01 Definitions.—As used in this <u>chapter</u> , the term law :
68	(1) "Community covenant or restriction" means any
69	agreement or limitation contained in a document recorded in the
70	public records of the county in which a parcel is located which:
71	(a) Subjects the parcel to any use restriction that may be
72	enforced by a property owners' association; or
73	(b) Authorizes a property owners' association to impose a
74	charge or assessment against the parcel or the parcel owner.
75	(4) (1) The term "Person" includes the as used herein
	Page 3 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

76 denotes singular or plural, natural or corporate, private or 77 governmental, including the state and any political subdivision 78 or agency thereof as the context for the use thereof requires or 79 denotes and including any property owners' homeowners' 80 association.

81 <u>(6)</u> "Root of title" means any title transaction 82 purporting to create or transfer the estate claimed by any 83 person and which is the last title transaction to have been 84 recorded at least 30 years <u>before</u> prior to the time when 85 marketability is being determined. The effective date of the 86 root of title is the date on which it was recorded.

87 <u>(7)(3)</u> "Title transaction" means any recorded instrument 88 or court proceeding <u>that</u> which affects title to any estate or 89 interest in land and <u>that</u> which describes the land sufficiently 90 to identify its location and boundaries.

(5) (4) "Property owners' association" The term 91 92 "homeowners' association" means a homeowners' association as 93 defined in s. 720.301, a corporation or other entity responsible 94 for the operation of property in which the voting membership is 95 made up of the owners of the property or their agents, or a 96 combination thereof, and in which membership is a mandatory condition of property ownership, or an association of parcel 97 98 owners which is authorized to enforce a community covenant or 99 restriction use restrictions that is are imposed on the parcels. 100 (3) (5) The term "Parcel" means any real property that

Page 4 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

101 which is used for residential purposes that is subject to 102 exclusive ownership and which is subject to any covenant or 103 restriction of a property owners' homeowners' association.

(2) (6) The term "Covenant or restriction" means any 104 105 agreement or limitation contained in a document recorded in the 106 public records of the county in which a parcel is located which 107 subjects the parcel to any use or other restriction or 108 obligation which may be enforced by a homeowners' association or which authorizes a homeowners' association to impose a charge or 109 110 assessment against the parcel or the owner of the parcel or 111 which may be enforced by the Florida Department of Environmental 112 Protection pursuant to chapter 376 or chapter 403.

113 Section 3. Section 712.05, Florida Statutes, is amended to 114 read:

115

712.05 Effect of filing notice.-

(1) A person claiming an interest in land or other right 116 117 subject to extinguishment under this chapter a homeowners' 118 association desiring to preserve a covenant or restriction may 119 preserve and protect such interest or right the same from 120 extinguishment by the operation of this chapter act by filing 121 for record, at any time during the 30-year period immediately 122 following the effective date of the root of title, a written notice in accordance with s. 712.06 this chapter. 123

124 (2) A property owners' association may preserve and
 125 protect a community covenant or restriction from extinguishment

Page 5 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

126 by the operation of this chapter by filing for record, at any 127 time during the 30-year period immediately following the 128 effective date of the root of title: 129 (a) A written notice in accordance with s. 712.06; or 130 (b) A summary notice in substantial form and content as 131 required under s. 720.3032(2); or an amendment to a community 132 covenant or restriction that is indexed under the legal name of 133 the property owners' association and references the recording 134 information of the covenant or restriction to be preserved. 135 Failure of a summary notice or amendment to be indexed to the 136 current owners of the affected property does not affect the 137 validity of the notice or vitiate the effect of the filing of 138 such notice. 139 (3) A Such notice under subsection (1) or subsection (2) 140 preserves an interest in land or other such claim of right 141 subject to extinguishment under this chapter, or a such covenant 142 or restriction or portion of such covenant or restriction, for 143 not less than up to 30 years after filing the notice unless the 144 notice is filed again as required in this chapter. A person's 145 disability or lack of knowledge of any kind may not delay the 146 commencement of or suspend the running of the 30-year period. Such notice may be filed for record by the claimant or by any 147

- 148 149
- (a) Under a disability;
- 150
- (a) Under a disability,
- (b) Unable to assert a claim on his or her behalf; or

other person acting on behalf of a claimant who is:

Page 6 of 28

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

HB617, Engrossed 1

(c) One of a class, but whose identity cannot be established or is uncertain at the time of filing such notice of claim for record.

154

155 Such notice may be filed by a homeowners' association only if 156 the preservation of such covenant or restriction or portion of 157 such covenant or restriction is approved by at least two-thirds 158 of the members of the board of directors of an incorporated homeowners' association at a meeting for which a notice, stating 159 160 the meeting's time and place and containing the statement of marketable title action described in s. 712.06(1)(b), was mailed 161 162 or hand delivered to members of the homeowners' association at 163 least 7 days before such meeting. The property owners' 164 homeowners' association or clerk of the circuit court is not 165 required to provide additional notice pursuant to s. 712.06(3) 166 for a notice filed under subsection (2). The preceding sentence 167 is intended to clarify existing law.

168 <u>(4)(2)</u> It <u>is shall</u> not be necessary for the owner of the 169 marketable record title, as <u>described in s. 712.02</u> herein 170 defined, to file a notice to protect his or her marketable 171 record title.

Section 4. Subsections (1) and (3) of section 712.06,Florida Statutes, are amended to read:

174 712.06 Contents of notice; recording and indexing.175 (1) To be effective, the notice referred to in s. 712.05<u>,</u>

Page 7 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

176 other than the summary notice and the amendment referred to in 177 s. 712.05(2)(b), must shall contain: 178 The name or description and mailing address of the (a) 179 claimant or the property owners' homeowners' association desiring to preserve any covenant or restriction and the name 180 181 and particular post office address of the person filing the 182 claim or the homeowners' association. 183 The name and mailing post office address of an owner, (b) 184 or the name and mailing post office address of the person in 185 whose name the said property is assessed on the last completed tax assessment roll of the county at the time of filing, who, 186 187 for purpose of such notice, shall be deemed to be an owner; provided, however, if a property owners' homeowners' association 188 189 is filing the notice, then the requirements of this paragraph 190 may be satisfied by attaching to and recording with the notice 191 an affidavit executed by the appropriate member of the board of directors of the property owners' homeowners' association 192 193 affirming that the board of directors of the property owners' 194 homeowners' association caused a statement in substantially the 195 following form to be mailed or hand delivered to the members of 196 that property owners' homeowners' association: 197 198 STATEMENT OF MARKETABLE TITLE ACTION 199 The [name of property owners' homeowners' association] (the 200 Page 8 of 28

CODING: Words stricken are deletions; words underlined are additions.

214

HB617, Engrossed 1

201 "Association") has taken action to ensure that the [name of 202 declaration, covenant, or restriction], recorded in Official 203 Records Book, Page, of the public records of 204 County, Florida, as may be amended from time to time, currently 205 burdening the property of each and every member of the 206 Association, retains its status as the source of marketable 207 title with regard to the affected real property the transfer of 208 a member's residence. To this end, the Association shall cause 209 the notice required by chapter 712, Florida Statutes, to be recorded in the public records of County, Florida. Copies 210 of this notice and its attachments are available through the 211 212 Association pursuant to the Association's governing documents regarding official records of the Association. 213

215 (C) A full and complete description of all land affected by such notice, which description shall be set forth in 216 217 particular terms and not by general reference, but if said claim 218 is founded upon a recorded instrument or a covenant or a 219 restriction, then the description in such notice may be the same 220 as that contained in such recorded instrument or covenant or 221 restriction, provided the same shall be sufficient to identify 222 the property.

(d) A statement of the claim showing the nature,
description, and extent of such claim <u>or other right subject to</u>
extinguishment under this chapter or, in the case of a covenant

Page 9 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

or restriction, a copy of the covenant or restriction <u>or a</u> reference to the book and page or instrument number in which the same is recorded, except that it <u>is shall</u> not be necessary to show the amount of any claim for money or the terms of payment.

(e) If such claim <u>or other right subject to extinguishment</u>
<u>under this chapter</u> is based upon an instrument of record or a
recorded covenant or restriction, such instrument of record or
recorded covenant or restriction shall be deemed sufficiently
described to identify the same if the notice includes a
reference to the book and page in which the same is recorded.

(f) Such notice shall be acknowledged in the same manneras deeds are acknowledged for record.

(3) The person providing the notice referred to in s.
712.05, other than a notice for preservation of a community
covenant or restriction, shall:

Cause the clerk of the circuit court to mail by 241 (a) 242 registered or certified mail to the purported owner of said 243 property, as stated in such notice, a copy thereof and shall 244 enter on the original, before recording the same, a certificate 245 showing such mailing. For preparing the certificate, the 246 claimant shall pay to the clerk the service charge as prescribed in s. 28.24(8) and the necessary costs of mailing, in addition 247 to the recording charges as prescribed in s. 28.24(12). If the 248 notice names purported owners having more than one address, the 249 250 person filing the same shall furnish a true copy for each of the

Page 10 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

251 several addresses stated, and the clerk shall send one such copy 252 to the purported owners named at each respective address. Such 253 certificate shall be sufficient if the same reads substantially 254 as follows:

I hereby certify that I did on this, mail by registered (or certified) mail a copy of the foregoing notice to each of the following at the address stated:

260 ... (Clerk of the circuit court)...

261 of County, Florida,

262 By...(Deputy clerk)...

The clerk of the circuit court is not required to mail to the purported owner of such property any such notice that pertains solely to the preserving of any covenant or restriction or any portion of a covenant or restriction; or

(b) Publish once a week, for 2 consecutive weeks, the notice referred to in s. 712.05, with the official record book and page number in which such notice was recorded, in a newspaper as defined in chapter 50 in the county in which the property is located.

273 Section 5. Section 712.11, Florida Statutes, is amended to 274 read:

275

255

259

263

712.11 Covenant revitalization.-A property owners'

Page 11 of 28

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

hb0617-01-e1

HB617, Engrossed 1

2018

276 homeowners' association not otherwise subject to chapter 720 may use the procedures set forth in ss. 720.403-720.407 to revive 277 278 covenants that have lapsed under the terms of this chapter. 279 Section 6. Section 712.12, Florida Statutes, is created to 280 read: 281 712.12 Covenant or restriction revitalization by parcel 282 owners not subject to a homeowners' association.-283 (1) As used in this section, the term: 284 "Community" means the real property that is subject to (a) 285 a covenant or restriction that is recorded in the county where 286 the property is located. (b) "Covenant or restriction" means any agreement or 287 288 limitation imposed by a private party and not required by a governmental agency as a condition of a development permit, as 289 290 defined in s. 163.3164, which is contained in a document 291 recorded in the public records of the county in which a parcel 292 is located and which subjects the parcel to any use restriction 293 that may be enforced by a parcel owner. 294 "Parcel" means real property that is used for (C) 295 residential purposes and that is subject to exclusive ownership 296 and any covenant or restriction that may be enforced by a parcel 297 owner. "Parcel owner" means the record owner of legal title 298 (d) to a parcel. 299 300 The parcel owners of a community not subject to a (2)

Page 12 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

301	homeowners' association may use the procedures set forth in ss.
302	720.403-720.407 to revive covenants or restrictions that have
303	lapsed under the terms of this chapter, except:
304	(a) A reference to a homeowners' association or articles
305	of incorporation or bylaws of a homeowners' association under
306	ss. 720.403-720.407 is not required to revive the covenants or
307	restrictions.
308	(b) The approval required under s. 720.405(6) must be in
309	writing, and not at a meeting.
310	(c) The requirements under s. 720.407(2) may be satisfied
311	by having the organizing committee execute the revived covenants
312	or restrictions in the name of the community.
313	(d) The indexing requirements under s. 720.407(3) may be
314	satisfied by indexing the community name in the covenants or
315	restrictions as the grantee and the parcel owners as the
316	grantors.
317	(3) With respect to any parcel that has ceased to be
318	governed by covenants or restrictions as of October 1, 2018, the
319	parcel owner may commence an action by October 1, 2019, for a
320	judicial determination that the covenants or restrictions did
321	not govern that parcel as of October 1, 2018, and that any
322	revitalization of such covenants or restrictions as to that
323	parcel would unconstitutionally deprive the parcel owner of
324	rights or property.
325	(4) Revived covenants or restrictions that are implemented

Page 13 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

326	pursuant to this section do not apply to or affect the rights of
327	the parcel owner which are recognized by any court order or
328	judgment in any action commenced by October 1, 2019, and any
329	such rights so recognized may not be subsequently altered by
330	revived covenants or restrictions implemented under this section
331	without the consent of the affected parcel owner.
332	Section 7. Paragraph (e) is added to subsection (2) of
333	section 720.303, Florida Statutes, to read:
334	720.303 Association powers and duties; meetings of board;
335	official records; budgets; financial reporting; association
336	funds; recalls
337	(2) BOARD MEETINGS
338	(e) At the first board meeting, excluding the
339	organizational meeting, which follows the annual meeting of the
340	members, the board shall consider the desirability of filing
341	notices to preserve the covenants or restrictions affecting the
342	community or association from extinguishment under the
343	Marketable Record Title Act, chapter 712, and to authorize and
344	direct the appropriate officer to file notice in accordance with
345	<u>s. 720.3032.</u>
346	Section 8. Section 720.3032, Florida Statutes, is created
347	to read:
348	720.3032 Notice of association information; preservation
349	from Marketable Record Title Act
350	(1) Any property owners' association desiring to preserve
	Page 14 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

351	covenants from potential termination after 30 years by operation
352	of chapter 712 may record in the official records of each county
353	in which the community is located a notice specifying:
354	(a) The legal name of the association.
355	(b) The mailing and physical addresses of the association.
356	(c) The names of the affected subdivision plats and
357	condominiums or, if not applicable, the common name of the
358	community.
359	(d) The name, address, and telephone number for the
360	current community association management company or community
361	association manager, if any.
362	(e) Indication as to whether the association desires to
363	preserve the covenants or restrictions affecting the community
364	or association from extinguishment under the Marketable Record
365	Title Act, chapter 712.
366	(f) A listing by name and recording information of those
367	covenants or restrictions affecting the community which the
368	association desires to be preserved from extinguishment.
369	(g) The legal description of the community affected by the
370	covenants or restrictions, which may be satisfied by a reference
371	to a recorded plat.
372	(h) The signature of a duly authorized officer of the
373	association, acknowledged in the same manner as deeds are
374	acknowledged for record.
375	(2) Recording a document in substantially the following

Page 15 of 28

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

HB617, Engrossed 1

376 form satisfies the notice obligation and constitutes a summary 377 notice as specified in s. 712.05(2)(b) sufficient to preserve 378 and protect the referenced covenants and restrictions from 379 extinguishment under the Marketable Record Title Act, chapter 380 712. 381 382 Notice of ... (name of association) ... under s. 720.3032, Florida 383 Statutes, and notice to preserve and protect covenants and restrictions from extinguishment under the Marketable Record 384 385 Title Act, chapter 712, Florida Statutes. 386 387 Instructions to recorder: Please index both the legal name 388 of the association and the names shown in item 3. 389 1. Legal name of association: 390 Mailing and physical addresses of association: 2. 391 392 Names of the subdivision plats, or, if none, common 3. name of community: 393 394 Name, address, and telephone number for management 4. 395 company, if any: 396 This notice does does not constitute a notice 5. 397 to preserve and protect covenants or restrictions from 398 extinguishment under the Marketable Record Title Act. 399 6. The following covenants or restrictions affecting the 400 community which the association desires to be preserved from

Page 16 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

401 extinguishment: 402 ... (Name of instrument) ... 403 ... (Official Records Book where recorded & page) ... 404 ... (List of instruments) ... 405 ... (List of recording information) ... 406 7. The legal description of the community affected by the listed covenants or restrictions is: ... (Legal description, 407 408 which may be satisfied by reference to a recorded plat)... 409 This notice is filed on behalf of ... (Name of 410 association)... as of ... (Date).... 411 ... (Name of association) ... 412 413 By: 414 ... (Name of individual officer) ... 415 ... (Title of officer) ... 416 ... (Notary acknowledgment) ... 417 418 (3) A copy of the notice, as filed, must be included as 419 part of the next notice of meeting or other mailing sent to all 420 members. 421 (4) The original signed notice must be recorded in the 422 official records of the clerk of the circuit court or other recorder for the county. 423 424 Section 702.09, Florida Statutes, is amended to Section 9. 425 read:

Page 17 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

426 702.09 Definitions.-For the purposes of ss. 702.07 and 427 702.08, the words "decree of foreclosure" shall include a 428 judgment or order rendered or passed in the foreclosure 429 proceedings in which the decree of foreclosure shall be 430 rescinded, vacated, and set aside; the word "mortgage" shall 431 mean any written instrument securing the payment of money or 432 advances and includes liens to secure payment of assessments 433 arising under chapters 718 and 719 and liens created pursuant to 434 the recorded covenants of a property owners' homeowners' association as defined in s. 712.01; the word "debt" shall 435 436 include promissory notes, bonds, and all other written 437 obligations given for the payment of money; the words "foreclosure proceedings" shall embrace every action in the 438 439 circuit or county courts of this state wherein it is sought to 440 foreclose a mortgage and sell the property covered by the same; 441 and the word "property" shall mean and include both real and 442 personal property.

443 Section 10. Subsection (1) of section 702.10, Florida 444 Statutes, is amended to read:

445 702.10 Order to show cause; entry of final judgment of
446 foreclosure; payment during foreclosure.-

(1) A lienholder may request an order to show cause for
the entry of final judgment in a foreclosure action. For
purposes of this section, the term "lienholder" includes the
plaintiff and a defendant to the action who holds a lien

Page 18 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

451 encumbering the property or a defendant who, by virtue of its 452 status as a condominium association, cooperative association, or 453 property owners' homeowners' association, may file a lien 454 against the real property subject to foreclosure. Upon filing, 455 the court shall immediately review the request and the court 456 file in chambers and without a hearing. If, upon examination of 457 the court file, the court finds that the complaint is verified, 458 complies with s. 702.015, and alleges a cause of action to 459 foreclose on real property, the court shall promptly issue an order directed to the other parties named in the action to show 460 461 cause why a final judgment of foreclosure should not be entered.

462

(a) The order shall:

1. Set the date and time for a hearing to show cause. The date for the hearing may not occur sooner than the later of 20 days after service of the order to show cause or 45 days after service of the initial complaint. When service is obtained by publication, the date for the hearing may not be set sooner than 30 days after the first publication.

469 2. Direct the time within which service of the order to470 show cause and the complaint must be made upon the defendant.

3. State that the filing of defenses by a motion, a responsive pleading, an affidavit, or other papers before the hearing to show cause that raise a genuine issue of material fact which would preclude the entry of summary judgment or otherwise constitute a legal defense to foreclosure shall

Page 19 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

476 constitute cause for the court not to enter final judgment.

477 4. State that a defendant has the right to file affidavits
478 or other papers before the time of the hearing to show cause and
479 may appear personally or by way of an attorney at the hearing.

480 5. State that, if a defendant files defenses by a motion, 481 a verified or sworn answer, affidavits, or other papers or 482 appears personally or by way of an attorney at the time of the 483 hearing, the hearing time will be used to hear and consider 484 whether the defendant's motion, answer, affidavits, other 485 papers, and other evidence and argument as may be presented by 486 the defendant or the defendant's attorney raise a genuine issue 487 of material fact which would preclude the entry of summary judgment or otherwise constitute a legal defense to foreclosure. 488 489 The order shall also state that the court may enter an order of 490 final judgment of foreclosure at the hearing and order the clerk 491 of the court to conduct a foreclosure sale.

492 6. State that, if a defendant fails to appear at the 493 hearing to show cause or fails to file defenses by a motion or 494 by a verified or sworn answer or files an answer not contesting 495 the foreclosure, such defendant may be considered to have waived 496 the right to a hearing, and in such case, the court may enter a 497 default against such defendant and, if appropriate, a final judgment of foreclosure ordering the clerk of the court to 498 conduct a foreclosure sale. 499

500

7. State that if the mortgage provides for reasonable

Page 20 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

501 attorney fees and the requested attorney fees do not exceed 3 502 percent of the principal amount owed at the time of filing the 503 complaint, it is unnecessary for the court to hold a hearing or 504 adjudge the requested attorney fees to be reasonable.

8. Attach the form of the proposed final judgment of
foreclosure which the movant requests the court to enter at the
hearing on the order to show cause.

508 9. Require the party seeking final judgment to serve a 509 copy of the order to show cause on the other parties in the 510 following manner:

a. If a party has been served pursuant to chapter 48 with the complaint and original process, or the other party is the plaintiff in the action, service of the order to show cause on that party may be made in the manner provided in the Florida Rules of Civil Procedure.

516 b. If a defendant has not been served pursuant to chapter 517 48 with the complaint and original process, the order to show 518 cause, together with the summons and a copy of the complaint, 519 shall be served on the party in the same manner as provided by 520 law for original process.

521

522 Any final judgment of foreclosure entered under this subsection 523 is for in rem relief only. This subsection does not preclude the 524 entry of a deficiency judgment where otherwise allowed by law. 525 The Legislature intends that this alternative procedure may run

Page 21 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

526 simultaneously with other court procedures.

527 The right to be heard at the hearing to show cause is (b) 528 waived if a defendant, after being served as provided by law 529 with an order to show cause, engages in conduct that clearly 530 shows that the defendant has relinquished the right to be heard 531 on that order. The defendant's failure to file defenses by a 532 motion or by a sworn or verified answer, affidavits, or other 533 papers or to appear personally or by way of an attorney at the 534 hearing duly scheduled on the order to show cause presumptively constitutes conduct that clearly shows that the defendant has 535 536 relinquished the right to be heard. If a defendant files 537 defenses by a motion, a verified answer, affidavits, or other 538 papers or presents evidence at or before the hearing which raise 539 a genuine issue of material fact which would preclude entry of 540 summary judgment or otherwise constitute a legal defense to 541 foreclosure, such action constitutes cause and precludes the 542 entry of a final judgment at the hearing to show cause.

543 In a mortgage foreclosure proceeding, when a final (C) 544 judgment of foreclosure has been entered against the mortgagor 545 and the note or mortgage provides for the award of reasonable 546 attorney fees, it is unnecessary for the court to hold a hearing 547 or adjudge the requested attorney fees to be reasonable if the fees do not exceed 3 percent of the principal amount owed on the 548 note or mortgage at the time of filing, even if the note or 549 550 mortgage does not specify the percentage of the original amount

Page 22 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

551 that would be paid as liquidated damages.

552 If the court finds that all defendants have waived the (d) 553 right to be heard as provided in paragraph (b), the court shall 554 promptly enter a final judgment of foreclosure without the need 555 for further hearing if the plaintiff has shown entitlement to a 556 final judgment and upon the filing with the court of the 557 original note, satisfaction of the conditions for establishment 558 of a lost note, or upon a showing to the court that the obligation to be foreclosed is not evidenced by a promissory 559 560 note or other negotiable instrument. If the court finds that a 561 defendant has not waived the right to be heard on the order to 562 show cause, the court shall determine whether there is cause not 563 to enter a final judgment of foreclosure. If the court finds 564 that the defendant has not shown cause, the court shall promptly 565 enter a judgment of foreclosure. If the time allotted for the 566 hearing is insufficient, the court may announce at the hearing a 567 date and time for the continued hearing. Only the parties who 568 appear, individually or through an attorney, at the initial 569 hearing must be notified of the date and time of the continued 570 hearing.

571 Section 11. Section 712.095, Florida Statutes, is amended 572 to read:

573 712.095 Notice required by July 1, 1983.—Any person whose 574 interest in land is derived from an instrument or court 575 proceeding recorded subsequent to the root of title, which

Page 23 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

instrument or proceeding did not contain a description of the land as specified by <u>s. 712.01(7)</u> s. 712.01(3), and whose interest had not been extinguished prior to July 1, 1981, shall have until July 1, 1983, to file a notice in accordance with s. 712.06 to preserve the interest.

581 Section 12. Section 720.403, Florida Statutes, is amended 582 to read:

583 720.403 Preservation of residential communities; revival 584 of declaration of covenants.-

585 (1)Consistent with required and optional elements of local comprehensive plans and other applicable provisions of the 586 587 Community Planning Act, property owners homeowners are 588 encouraged to preserve existing residential and other 589 communities, promote available and affordable housing, protect 590 structural and aesthetic elements of their residential 591 community, and, as applicable, maintain roads and streets, 592 easements, water and sewer systems, utilities, drainage 593 improvements, conservation and open areas, recreational 594 amenities, and other infrastructure and common areas that serve 595 and support the residential community by the revival of a 596 previous declaration of covenants and other governing documents 597 that may have ceased to govern some or all parcels in the 598 community.

599 (2) In order to preserve a residential community and the600 associated infrastructure and common areas for the purposes

Page 24 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

601 described in this section, the parcel owners in a community that 602 was previously subject to a declaration of covenants that has 603 ceased to govern one or more parcels in the community may revive 604 the declaration and the homeowners' association for the 605 community upon approval by the parcel owners to be governed 606 thereby as provided in this act, and upon approval of the 607 declaration and the other governing documents for the 608 association by the Department of Economic Opportunity in a manner consistent with this act. 609

610 (3) Part III of this chapter is intended to provide
611 mechanisms for the revitalization of covenants or restrictions
612 for all types of communities and property associations and is
613 not limited to residential communities.

614 Section 13. Section 720.404, Florida Statutes, is amended 615 to read:

616 720.404 Eligible residential communities; requirements for 617 revival of declaration.—Parcel owners in a community are 618 eligible to seek approval from the Department of Economic 619 Opportunity to revive a declaration of covenants under this act 620 if all of the following requirements are met:

(1) All parcels to be governed by the revived declaration
must have been once governed by a previous declaration that has
ceased to govern some or all of the parcels in the community;

(2) The revived declaration must be approved in the mannerprovided in s. 720.405(6); and

Page 25 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

626 (3)The revived declaration may not contain covenants that 627 are more restrictive on the parcel owners than the covenants 628 contained in the previous declaration, except that the 629 declaration may: 630 (a) Have an effective term of longer duration than the 631 term of the previous declaration; 632 (b) Omit restrictions contained in the previous 633 declaration; 634 Govern fewer than all of the parcels governed by the (C) 635 previous declaration;

(d) Provide for amendments to the declaration and othergoverning documents; and

(e) Contain provisions required by this chapter for new
declarations that were not contained in the previous
declaration.

641 Section 14. Subsections (1), (3), (5), and (6) of section 642 720.405, Florida Statutes, are amended to read:

643

720.405 Organizing committee; parcel owner approval.-

(1) The proposal to revive a declaration of covenants and
an a homeowners' association for a community under the terms of
this act shall be initiated by an organizing committee
consisting of not less than three parcel owners located in the
community that is proposed to be governed by the revived
declaration. The name, address, and telephone number of each
member of the organizing committee must be included in any

Page 26 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

notice or other document provided by the committee to parcelowners to be affected by the proposed revived declaration.

(3) The organizing committee shall prepare the full text of the proposed articles of incorporation and bylaws of the revived homeowners' association to be submitted to the parcel owners for approval, unless the association is then an existing corporation, in which case the organizing committee shall prepare the existing articles of incorporation and bylaws to be submitted to the parcel owners.

A copy of the complete text of the proposed revised 660 (5) 661 declaration of covenants, the proposed new or existing articles 662 of incorporation and bylaws of the homeowners! association, and 663 a graphic depiction of the property to be governed by the 664 revived declaration shall be presented to all of the affected 665 parcel owners by mail or hand delivery not less than 14 days 666 before the time that the consent of the affected parcel owners 667 to the proposed governing documents is sought by the organizing 668 committee.

(6) A majority of the affected parcel owners must agree in writing to the revived declaration of covenants and governing documents of the homeowners' association or approve the revived declaration and governing documents by a vote at a meeting of the affected parcel owners noticed and conducted in the manner prescribed by s. 720.306. Proof of notice of the meeting to all affected owners of the meeting and the minutes of the meeting

Page 27 of 28

CODING: Words stricken are deletions; words underlined are additions.

HB617, Engrossed 1

676 recording the votes of the property owners shall be certified by 677 a court reporter or an attorney licensed to practice in the 678 state.

679 Section 15. Subsection (3) of section 720.407, Florida680 Statutes, is amended to read:

681 720.407 Recording; notice of recording; applicability and
 682 effective date.-

683 (3) The recorded documents shall include the full text of the approved declaration of covenants, the articles of 684 685 incorporation and bylaws of the homeowners' association, the 686 letter of approval by the department, and the legal description 687 of each affected parcel of property. For purposes of chapter 688 712, the association is deemed to be and shall be indexed as the 689 grantee in a title transaction and the parcel owners named in 690 the revived declaration are deemed to be and shall be indexed as 691 the grantors in the title transaction.

692

Section 16. This act shall take effect October 1, 2018.

Page 28 of 28

CODING: Words stricken are deletions; words underlined are additions.