

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SB 1224

INTRODUCER: Senator Simmons

SUBJECT: Real Estate Conveyances

DATE: January 17, 2020

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Knudson</u>	<u>Knudson</u>	<u>BI</u>	Favorable
2.	_____	_____	<u>JU</u>	_____
3.	_____	_____	<u>RC</u>	_____

I. Summary:

SB 1224 provides that a written leasehold estate in real property with a term of more than 1 year does not require subscribing witnesses. Currently, two subscribing witnesses are required.

II. Present Situation:

Execution of a Lease with a Term Greater Than 1 Year

Section 689.01, F.S., requires that the sale of real property, or the leasing of real property for a term of more than 1 year, must be conveyed by a written instrument that is signed by the party conveying the real property, or the party's authorized agent, in the presence of two subscribing witnesses. The subscribing witness requirement provides evidence that the instrument contains the actual signature of the person conveying the property.

In 2019 the Legislature amended s. 689.01, F.S., to provide that the requirement that the instrument conveying property be signed in the presence of two subscribing witnesses may be satisfied by witnesses being present and electronically signing by means of audio-video communication technology.¹

Chapter 692, F.S., provides to corporations an alternative method of conveying real property through a sale or lease. A corporation may instead execute a document sealed with the common or corporate seal that is signed in its name by the president, vice-president, or chief executive officer. This alternative method may not be used by other forms of business organizations such as a limited liability company (LLC).²

¹ Chapter 2019-71, s. 21, L.O.F.

² Skylake Ins. Agency v. NMB Plaza, LLC, 23 So. 3d 175 (Fla. 3rd DCA 2009).

III. Effect of Proposed Changes:

Section 1. Amends s. 689.01(1), F.S., to provide that a written leasehold estate in real property does not require subscribing witnesses. Currently, two subscribing witnesses are required.

Section 2. This act takes effect July 1, 2020.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 689.01 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
