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A bill to be entitled An act relating to family law; amending s. 61.075, F.S.; redefining the term "marital assets and liabilities" to include the value of the marital portion of the passive appreciation of nonmarital real property; authorizing a court to require security and the payment of a reasonable rate of interest if installment payments are required for the distribution of marital assets and liabilities; requiring the court to provide written findings regarding any installment payments; creating s. 61.0765, F.S.; providing formulas for the calculation of the value of the marital portion of nonmarital real property subject to equitable distribution; requiring the court in the dissolution action to use the formulas unless sufficient evidence is presented showing that the application of the formulas is not equitable; amending s. 61.08, F.S.; revising requirements relating to the awarding of durational alimony; requiring a court to make certain written findings concerning awards of durational alimony; changing the term "permanent alimony" to "long-term alimony"; requiring written findings regarding the incomes of the parties after dissolution of marriage; crating a rebuttable presumption concerning the standard of living after dissolution of marriage; revising provisions relating to security of alimony awards; providing for calculation of duration of marriages of parties

Page 1 of 16

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married to each other more than once; requiring written findings for certain awards of durational alimony; amending s. 61.14, F.S.; revising provisions relating to the effect of a supportive relationship on an award of alimony; authorizing a court to award an obligor attorney fees and costs under certain circumstances; providing that the fact that an obligor has reached a reasonable retirement age for his or her profession, has retired, and has no intent to return to work is a substantial change in circumstances as a matter of law; requiring a court to impute income to the obligee based on the analysis and factors set forth in specified provisions; amending s. 61.18, F.S.; conforming provisions to changes made by act; amending s. 61.19, F.S.; prohibiting the separate adjudication of issues in a dissolution of marriage case within 180 days after filing unless a court finds that there are exceptional circumstances; authorizing the separate adjudication of issues in a dissolution of marriage case if the case is more than 180 days past filing; requiring the separate adjudication of issues of a dissolution of marriage case, absent a showing of irreparable harm, if the case is more than 365 days past filing; providing an effective date.

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

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Section 1. Paragraph (a) of subsection (6) and subsection

Page 2 of 16

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

- (10) of section 61.075, Florida Statutes, are amended to read:
 - $\,$ 61.075 Equitable distribution of marital assets and liabilities.—
 - (6) As used in this section:
 - (a) 1. "Marital assets and liabilities" include:
 - a. Assets acquired and liabilities incurred during the marriage, individually by either spouse or jointly by them.
 - b. The enhancement in value and appreciation of nonmarital assets resulting either from the efforts of either party during the marriage or from the contribution to or expenditure thereon of marital funds or other forms of marital assets, or both.
 - <u>c.</u> The value of the marital portion of the passive appreciation of nonmarital real property as provided in s. 61.0765(2).
 - d.c. Interspousal gifts during the marriage.
 - $\underline{\text{e.d.}}$ All vested and nonvested benefits, rights, and funds accrued during the marriage in retirement, pension, profitsharing, annuity, deferred compensation, and insurance plans and programs.
 - 2. All real property held by the parties as tenants by the entireties, whether acquired <u>before</u> prior to or during the marriage, shall be presumed to be a marital asset. If, in any case, a party makes a claim to the contrary, the burden of proof shall be on the party asserting the claim that the subject property, or some portion thereof, is nonmarital.
 - 3. All personal property titled jointly by the parties as tenants by the entireties, whether acquired <u>before</u> prior to or during the marriage, shall be presumed to be a marital asset. In

Page 3 of 16

the event a party makes a claim to the contrary, the burden of proof shall be on the party asserting the claim that the subject property, or some portion thereof, is nonmarital.

4. The burden of proof to overcome the gift presumption shall be by clear and convincing evidence.

- (10) (a) To do equity between the parties, the court may, in lieu of or to supplement, facilitate, or effectuate the equitable division of marital assets and liabilities, order a monetary payment in a lump sum or in installments paid over a fixed period of time.
- (b) If installment payments are ordered, the court may require security and a reasonable rate of interest, or otherwise recognize the time value of money in determining the amount of the installments. If security or interest is required, the court shall make written findings relating to any deferred payments, the amount of any security required, and the interest. This paragraph does not preclude the application of chapter 55, relating to judgments, to any subsequent default.
- Section 2. Section 61.0765, Florida Statutes, is created to read:
- 61.0765 Valuation of marital portion of nonmarital real property.—
- (1) (a) The total value of the marital portion of nonmarital real property consists of the sum of the following:
- 1. The value of the active appreciation of the property as described in s. 61.075(6)(a)1.b.
- 2. The amount of the mortgage principal paid from marital funds.

Page 4 of 16

- 3. A portion of any passive appreciation of the property, if the mortgage principal was paid from marital funds.
- (b) The value of the marital portion of nonmarital real property may not exceed the total net equity of the property on the valuation date in the dissolution action.
- (2) The marital portion of the passive appreciation as provided in subparagraph (1)(a)3. is calculated by multiplying the passive appreciation of the property by the marital fraction.
- (a) The passive appreciation of the property is calculated by subtracting all of the following from the value of the property on the valuation date in the dissolution action:
- 1. The gross value of the property on the date of the marriage or on the date the property was acquired, whichever is later.
- 2. The value of the active appreciation of the property during the marriage as described in s. 61.075(6)(a)1.b.
- 3. The amount of any additional debts secured by the property during the marriage.
- (b) The numerator of the marital fraction consists of the amount of the mortgage principal paid on any mortgage on the property from marital funds. The denominator consists of the value of the property on the date of the marriage, the date of acquisition of the property, or the date the property was first encumbered by a mortgage on which principal was paid from marital funds, whichever is later.
- (3) The court in a dissolution action must apply the formulas provided in this section to determine the value of the

Page 5 of 16

- marital portion of nonmarital real property subject to equitable dissolution unless a party presents sufficient evidence to establish that the application of these formulas is not equitable under the particular circumstances of the case.
- Section 3. Subsections (1), (2), (3), (4), (7), (8), and (9) of section 61.08, Florida Statutes, are amended to read: 61.08 Alimony.—
- (1) In a proceeding for dissolution of marriage, the court may grant alimony to either party, which alimony may be bridge—the—gap, rehabilitative, durational, or long—term permanent in nature or any combination of these forms of alimony. In any award of alimony, the court may order periodic payments or payments in lump sum or both. The court may consider the adultery of either spouse and the circumstances thereof in determining the amount of alimony, if any, to be awarded. In all dissolution actions, the court shall include findings of fact relative to the factors enumerated in subsection (2) supporting an award or denial of alimony. The court shall make written findings regarding the basis for awarding combinations of alimony, including the basis for the types and lengths of each award.
- (2) In determining whether to award alimony or maintenance, the court shall first make, in writing, a specific factual determination as to whether either party has an actual need for alimony or maintenance and whether either party has the ability to pay alimony or maintenance. If the court finds that a party has a need for alimony or maintenance and that the other party has the ability to pay alimony or maintenance, then in

Page 6 of 16

determining the proper type and amount of alimony or maintenance under subsections (5)-(8), the court shall consider and make written findings regarding all relevant factors, including, but not limited to:

- (a) The standard of living established during the marriage.
 - (b) The duration of the marriage.
- (c) The age and the physical and emotional condition of each party.
- (d) The financial resources of each party, including the nonmarital and the marital assets and liabilities distributed to each.
- (e) The earning capacities, educational levels, vocational skills, and employability of the parties and, when applicable, the time necessary for either party to acquire sufficient education or training to enable such party to find appropriate employment.
- (f) The contribution of each party to the marriage, including, but not limited to, services rendered in homemaking, child care, education, and career building of the other party.
- (g) The responsibilities each party will have with regard to any minor children they have in common.
- (h) The tax treatment and consequences to both parties of any alimony award, including the designation of all or a portion of the payment as a nontaxable, nondeductible payment.
- (i) All sources of income available to either party, including income available to either party through investments of any asset held by that party.

Page 7 of 16

- each party after the application of the alimony award. There shall be a rebuttable presumption that both parties will necessarily have a lower standard of living after the dissolution of marriage as compared to the standard of living they enjoyed during the marriage.
- (k) Any other factor necessary to do equity and justice between the parties, if that factor is specifically identified in the award with findings of fact justifying the application of the factor.
- (3) To the extent necessary to protect an award of alimony, the court may order any party who is ordered to pay alimony to purchase or maintain a life insurance policy or a bond, or to otherwise secure such alimony award with any other assets which may be suitable for that purpose in an amount adequate to secure the alimony award. Any such security may only be awarded upon a showing of special circumstances. If the court finds special circumstances and awards such security, the court must make specific evidentiary findings regarding the availability, cost, and financial impact on the obligated party. Any security may be modifiable in the event the underlying alimony award is modified and may be reduced in an amount commensurate with any reduction in the alimony award.
- (4) For purposes of determining alimony, there is a rebuttable presumption that a short-term marriage is a marriage having a duration equal to or of less than 7 years, a moderate-term marriage is a marriage having a duration of greater than 7 years but less than 17 years, and long-term marriage is a

Page 8 of 16

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marriage having a duration of 17 years or greater. The length of a marriage is the period of time from the date of marriage until the date of filing of an action for dissolution of marriage. If the parties have been married to each other more than once, the court may, for purposes of determining alimony, add the years of the marriages together to determine the duration of the marriage.

- Durational alimony may be awarded when long-term (7) permanent periodic alimony is inappropriate. The purpose of durational alimony is to provide a party with economic assistance for a set period of time following a marriage of short or moderate duration or following a marriage of long duration if there is no ongoing need for support on a long-term permanent basis. An award of durational alimony terminates upon the death of either party or upon the remarriage of the party receiving alimony. The amount of an award of durational alimony may be modified or terminated based upon a substantial change in circumstances in accordance with s. 61.14. However, The length of an award of durational alimony may not be modified except under exceptional circumstances and may not exceed the length of the marriage. If the court awards durational alimony for a length of time greater than 50 percent of the length of the marriage, the court must make written findings stating the circumstances warranting the length of the award.
- (8) <u>Long-term</u> Permanent alimony may be awarded to provide for the needs and necessities of life as they were established during the marriage of the parties for a party who lacks the financial ability to meet his or her needs and necessities of

Page 9 of 16

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life following a dissolution of marriage. Long-term Permanent alimony may be awarded following a marriage of long duration if such an award is appropriate upon consideration of the factors set forth in subsection (2), following a marriage of moderate duration if such an award is appropriate based upon clear and convincing evidence after consideration of the factors set forth in subsection (2), or following a marriage of short duration if there are written findings of exceptional circumstances. In awarding long-term permanent alimony, the court shall include a finding that no other form of alimony is fair and reasonable under the circumstances of the parties. An award of long-term permanent alimony terminates upon the death of either party or upon the remarriage of the party receiving alimony. An award may be modified or terminated based upon a substantial change in circumstances or upon the existence of a supportive relationship in accordance with s. 61.14.

- (9) Notwithstanding any other law to the contrary, an The award of alimony may not leave the payor with significantly less net income than the net income of the recipient unless there are written findings of exceptional circumstances. The court shall make written findings regarding the relative incomes of the parties.
- Section 4. Paragraph (b) of subsection (1) of section 61.14, Florida Statutes, is amended, and subsections (12) and (13) are added to that section, to read:
- 61.14 Enforcement and modification of support, maintenance, or alimony agreements or orders.—
 (1)

Page 10 of 16

(b)1. The court may reduce or terminate an award of alimony upon specific written findings by the court that since the granting of a divorce and the award of alimony a supportive relationship has existed between the obligee and a person with whom the obligee resides. On the issue of whether alimony should be reduced or terminated under this paragraph, the burden is on the obligor to prove by a preponderance of the evidence that a supportive relationship exists.

- 2. In determining whether an existing award of alimony should be reduced or terminated because of an alleged supportive relationship between an obligee and a person who is not related by consanguinity or affinity and with whom the obligee resides, the court shall elicit the nature and extent of the relationship in question. The court shall give consideration, without limitation, to circumstances, including, but not limited to, the following, in determining the relationship of an obligee to another person:
- a. The extent to which the obligee and the other person have held themselves out as a married couple by engaging in conduct such as using the same last name, using a common mailing address, referring to each other in terms such as "my husband" or "my wife," or otherwise conducting themselves in a manner that evidences a permanent supportive relationship.
- b. The period of time that the obligee has resided with the other person in a permanent place of abode.
- c. The extent to which the obligee and the other person have pooled their assets or income or otherwise exhibited financial interdependence.

Page 11 of 16

- d. The extent to which the obligee or the other person has supported the other, in whole or in part.
- e. The extent to which the obligee or the other person has performed valuable services for the other.
- f. The extent to which the obligee or the other person has performed valuable services for the other's company or employer.
- g. Whether the obligee and the other person have worked together to create or enhance anything of value.
- h. Whether the obligee and the other person have jointly contributed to the purchase of any real or personal property.
- i. Evidence in support of a claim that the obligee and the other person have an express agreement regarding property sharing or support.
- j. Evidence in support of a claim that the obligee and the other person have an implied agreement regarding property sharing or support.
- k. Whether the obligee and the other person have provided support to the children of one another, regardless of any legal duty to do so.
- 3. This paragraph does not abrogate the requirement that every marriage in this state be solemnized under a license, does not recognize a common law marriage as valid, and does not recognize a de facto marriage. This paragraph recognizes only that relationships do exist that provide economic support equivalent to a marriage and that alimony terminable on remarriage may be reduced or terminated upon the establishment of equivalent equitable circumstances as described in this paragraph. The existence of a conjugal relationship, though it

Page 12 of 16

may be relevant to the nature and extent of the relationship, is not necessary for the application of the provisions of this paragraph.

- 4. In any action for modification or termination of alimony, the court may retroactively modify or terminate the alimony award to the date of the filing of the petition. In an action under this section, if it is determined that a party unnecessarily or unreasonably litigated the underlying petition for modification or termination, the court shall award the other party his or her reasonable attorney fees and costs.
- 5. A court terminating an alimony award based on the existence of a supportive relationship may not reserve jurisdiction to later reinstate alimony.
- retirement age for his or her profession, has retired, and has no intent to return to work shall be considered a substantial change in circumstances as a matter of law. In determining whether the obligor's retirement age is reasonable, the court shall consider the obligor's age, health, motivation for retirement, type of work, and the normal retirement age for that type of work.
- (13) Except in cases of long-term marriages, in any alimony award, the court shall impute income to the obligee based on the analysis and factors set forth in s. 61.30(2)(b).
- Section 5. Subsection (1) of section 61.18, Florida Statutes, is amended to read:
- 363 61.18 Alimony and child support; default in undertaking of bond posted to ensure payment.—

Page 13 of 16

(1) If When there is a breach of the condition of any bond posted to ensure the payment of alimony or child support to, either temporary or permanent, for a party or for minor children of the parties, the court in which the order was issued may order payment to the party entitled thereto of the principal of the bond or the part thereof necessary to cure the existing default without further notice from time to time where the amount is liquidated.

Section 6. Section 61.19, Florida Statutes, is amended to read:

- 61.19 Entry of judgment of dissolution of marriage \underline{i}_{τ} delay period; separate adjudication of issues.—
- $\underline{(1)}$ A No final judgment of dissolution of marriage may not be entered until at least 20 days have elapsed from the date of filing the original petition for dissolution of marriage, $\underline{\cdot}$ but the court, on a showing that injustice would result from this delay, may enter a final judgment of dissolution of marriage at an earlier date.
- (2) (a) During the first 180 days after the date of service of the original petition for dissolution of marriage, the court may not grant a final dissolution of marriage with a reservation of jurisdiction to subsequently determine all other substantive issues unless the court makes written findings that there are exceptional circumstances which make the use of this process clearly necessary to protect the parties or their children and that granting a final dissolution will not cause irreparable harm to either party or the children. Before granting a final dissolution to

Page 14 of 16

subsequently determine all other substantive issues, the court shall enter appropriate temporary orders necessary to protect the parties and their children, which orders shall remain effective until all other issues can be adjudicated by the court. The desire of one of the parties to remarry does not justify the use of this process.

- (b) If more than 180 days have elapsed after the date of service of the original petition for dissolution of marriage, the court may grant a final dissolution of marriage with a reservation of jurisdiction to subsequently determine all other substantive issues only if the court enters appropriate temporary orders necessary to protect the parties and their children, which orders shall remain effective until such time as all other issues can be adjudicated by the court, and makes a written finding that no irreparable harm will result from granting a final dissolution.
- (c) If more than 365 days have elapsed after the date of service of the original petition for dissolution of marriage, absent a showing by either party that irreparable harm will result from granting a final dissolution, the court shall, upon request of either party, immediately grant a final dissolution of marriage with a reservation of jurisdiction to subsequently determine all other substantive issues. Before granting a final dissolution of marriage with a reservation of jurisdiction to subsequently determine all other substantive issues, the court shall enter appropriate temporary orders necessary to protect the parties and their children, which orders shall remain effective until all other issues can be adjudicated by the

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- (d) The temporary orders necessary to protect the parties and their children entered before granting a dissolution of marriage without an adjudication of all substantive issues may include, but are not limited to, temporary orders that:
 - 1. Restrict the sale or disposition of property.
 - 2. Protect and preserve the marital assets.
 - 3. Establish temporary support.
 - 4. Provide for maintenance of health insurance.
 - 5. Provide for maintenance of life insurance.
- (e) The court is not required to enter temporary orders to protect the parties and their children if the court enters a final judgment of dissolution of marriage which adjudicates substantially all of the substantive issues between the parties but reserves jurisdiction to address ancillary issues such as the entry of a qualified domestic relations order or the adjudication of attorney fees and costs.
- Section 7. This act shall take effect July 1, 2012.

Page 16 of 16