

STORAGE NAME: h3321s1z.rpp  
DATE: June 3, 1998

**\*\*FINAL ACTION\*\***  
**\*\*SEE FINAL ACTION STATUS SECTION\*\***

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
REAL ESTATE & PROBATE  
FINAL BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

**BILL #:** CS/HB 3321

**RELATING TO:** Condominiums and Cooperatives

**SPONSOR(S):** Committee on Real Property & Probate and Representative Crow

**COMPANION BILL(S):** Compare SB 1054

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) REAL PROPERTY & PROBATE 4 YEAS 0 NAYS
- (2) GOVERNMENT RULES & REGULATION 4 YEAS 0 NAYS

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I. FINAL ACTION STATUS:

On April 16, 1998, the CS/HB 3321 passed the House; YEAS 115 NAYS 0. On April 27, 1998, the Senate substituted CS/HB 3321 for CS/SB 1624. The Senate adopted an amendment and passed the bill as amended; YEAS 39 NAYS 0. The House concurred in the amendment; YEAS 115 NAYS 0. The bill became law without the Governor's signature on May 30, 1998. See 98-322, Laws of Florida.

I. SUMMARY:

The bill amends chapters 718, 719, and 721, Florida Statutes.

Condominiums

The bill makes substantive changes to the law relating to condominiums, providing for the operation of multiple condominiums created prior to 1977 as single associations. Developer-controlled associations are required to use due diligence to obtain and maintain insurance, with the failure to obtain and maintain insurance to constitute a breach of fiduciary responsibility. Adequate insurance or fidelity bonding is required for association funds. The bill provides for increased financial reporting, commingling of reserve and operating funds for prudent investment and requirements for candidates for board membership. The bill provides that unit-owned and developer-owned units will be accessed on a pro-rata basis where adequate insurance has been maintained. The bill provides requirements being a candidate for board membership and procedures to fill vacancies during the term. The cost of master antenna system or cable television may be a common expense. Year-end financial information to be provided to purchaser with contract.

Cooperatives

The bill makes substantive changes to the law relating to cooperatives, providing: definitions; provisions for submitting agreement or disagreement with board action; provisions for attending committee and board members by telephone conference if a speaker telephone is utilized; a requirement that a developer may not close on any contract for sale or contract for lease period of more than 5 years until notification and approval by

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the Division; requirement that a developer may not close for 15 days on a contract unless the buyer waives in writing the 15-day voidability period.

#### Rulemaking Authority

The bill provides the Division with rulemaking authority to implement and ensure compliance with chapter 719, Florida Statutes, relating to cooperatives.

#### Timeshare Commissioner of Deeds

The bill provides a statutory reference within subsection 721.97(1), Florida Statutes, created by CS/CS 626, relating to timeshare commissioner of deeds, shall take effect only if CS/HB 1125, relating to notary procedures, becomes law and thus, this provision shall operate retroactive to the effective date of CS/HB 626 and thus preserves the status quo of the existing law.

This bill will not have a fiscal impact.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Condominium Associations

A condominium development started prior to the enactment of section 711.64, Florida Statutes, Phase Condominiums (October, 1984) is required to allocate common association expenses either on a square footage basis or on a per unit basis and the financial records for each condominium must be separately maintained. If a development contains different types of units, i.e., garden units, elevator building units, townhouses, etc., each phase of the development must have its own allocated condominium assessments. For example, there will be more maintenance for a unit within a high-rise elevator building than for a unit within a single-story building.

Innisbrook is an upscale resort condominium development in Tarpon Springs which began construction in approximately 1970, prior to enactment of the phase condominium statutes. Presently, there are twenty-eight separate condominiums in Innisbrook. The declarations of condominiums provided that while the condominium property was to be separately owned, all of the condominiums which had been built between 1970 and 1985 were to operate under a single association, known as the "Innisbrook Condominium Association." The Innisbrook Condominium Association petitioned the Division for a declaratory statement that the Association was in compliance with the statutes. In October, 1993, the Division, after review of the declarations of condominiums within Innisbrook, concluded that the Innisbrook Condominium Association was required to maintain separate budgets and financial records for each condominium that it operates. Until after that ruling, Innisbrook Condominium Association had not maintained separate accounting records for each condominium. All expenses had been shared within the single association and allocated to each unit according to the type of unit within the condominium. All rental income had been paid into the single association, expenses were paid, and income was shared according to the type of unit within the condominium. There are only four types of units at Innisbrook and the units vary little within the various types of condominium buildings. There had been no difference as to location or difference in the actual maintenance costs of a building. Innisbrook Condominium Association now must maintain twenty-eight separate budgets, with costs and rental income shared only within the individual condominium association. There apparently is a consensus at Innisbrook that the present arrangement is unfair as well as contrary to the disclosures signed when each person purchased a unit. Some units apparently have substantially increased costs and expenses, whereas other units presumably have decreased costs.

Insurance Costs

Section 718.116(9)(a)(2), Florida Statutes, permits developers to be excused from payment of assessments for unsold units if the developer is operating under a guarantee and operating the condominium association. Presently, if an insurance loss occurs during the developer guarantee period, the developer may be responsible for all costs for common expenses in excess of the insurance proceeds.

Section 718.111(11), Florida Statutes, requires a condominium association to use its "best efforts to obtain and maintain adequate insurance to protect the association, the association property, and the condominium property . . . ."

#### Rulemaking Authority

The Division reviewed its rules pursuant to section 120.536, Florida Statutes, the Administrative Procedure Act. The Division expressed concern that there are gaps in the present statute which must be filled in order to protect the public. The Division presently has rules existing for which the Division has not specifically been granted rulemaking authority.

#### Delegation

To avoid unlawful delegation, there must be specificity in the rule-making authority granted to an agency. All delegation must comply with the requirements of the Administrative Procedure Act, Chapter 120, Florida Statutes.

Case law interpreting whether authority has been unlawfully delegated addresses the specificity in carrying out the legislative intent. "The crucial test in determining whether a statute amounts to an unlawful delegation of legislative power is whether the statute contains sufficient standards or guidelines to enable the agency and the courts to determine whether the agency is carrying out the legislative intent." Department of Ins. v. Southeast Volusia Hosp. Dist., 438 So. 2d 815, 819 (Fla. 1983), appeal dismissed, 466 U.S. 901, 104 S. Ct. 1673, 80 L. Ed. 2d 149 (1984). "The specificity of standards and guidelines required from the legislature depends on the subject matter dealt with and the degree of difficulty involved in articulating finite standards." Apalachee Regional Planning Council v. Brown, 546 So.2d 451, 453 (Fla. 1st DCA 1989), approved by, 560 So. 2d 782 (Fla. 1990). "If the subject matter requires the expertise and flexibility of the agency to deal with complex and fluid conditions, the legislature will not be required to draft more detailed or specific legislation." Id.

Thus, "statutes are not unlawful delegations of legislative power when the power sought to be exercised under their auspices is simply a technical issue of implementation and not a fundamental policy decision." Id.

### B. EFFECT OF PROPOSED CHANGES:

#### Condominiums and Cooperatives

Substantive changes to the law relating to condominiums and cooperatives include:

- If the initial condominium declaration was recorded prior to January 1, 1977, the association may operate more than one condominium as if it were a single condominium and may provide for a consolidated financial operation by amending its declaration or its bylaws if the amendment is approved by at least two-thirds of the voting interests.
- Allows a buyer to close on a cooperative during the fifteen days following execution of a purchase agreement if the buyer agrees to close during the fifteen-year voidability period and the developer retains proof of such agreement for five years after the closing date.

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- If a developer-controlled association has maintained all required insurance coverage, in the event of a natural disaster or Act of God, the developer and owners shall be responsible for a pro-rata share of expenses not covered by the proceeds of insurance.
- A developer-controlled association shall be required to “exercise due diligence” to obtain and maintain adequate insurance. The failure by a developer-controlled association to obtain and maintain adequate insurance will be a “breach of fiduciary responsibility” by the developer appointed members of the board of directors, unless said members can show that in spite of the failure, they exercised “due diligence.”
- An association shall obtain and maintain insurance or fidelity bonding for all persons who control or disburse funds and the association shall bear the cost of the bonding.
- An association must maintain year-end financial information on the condominium property for owners and prospective purchasers and the financial information must be referenced in contracts and included with prospectus or offering circulars.
- Reserve and operating funds maybe combined for investment purposes. If funds are combined for prudent investment purposes, the funds must be accounted for separately and may not be less than the amount identified as reserve funds.
- The terminology of a “closed” ballot is clarified to be a “secret” ballot and if the number of vacancies equals or exceeds the number of candidates, no election is required.
- A candidate for board membership must meet the requirements set forth in the condominium declaration and be eligible to vote.
- A vacancy on the board before the expiration of a term may be filled by the majority vote of the remaining directors, even if less than a quorum, or an election may be held conforming to the statutory election process, unless otherwise provided in the bylaws.
- The board of administration shall hand deliver to each unit owner, or mail to each unit owner at the address last furnished, the meeting notice and proposed budget.
- If the declaration does not provide that cost of a master antenna system or cable television service obtained is a common expense, the board of administration may enter into a contract and the cost of the service will be a common expense to be allocated on a per-unit basis.
- A board member or committee member not present at a meeting may submit his or her agreement or disagreement with any action taken, but it may not be used for a quorum.
- A board member or committee member may vote by telephone and may be counted for purposes of obtaining a quorum, if a speaker phone is used in order to hear the member’s vote.

#### Rulemaking Authority

The Division is provided rulemaking authority to adopt rules to administer and ensure compliance under chapter 719, Florida Statutes, relating to cooperatives, to enforce:

- The developer's "obligations" to residents during conversion including requirements to file and notice intended cooperative conversions, provide rental agreement extensions, right of first refusal, disclosure and post-disclosure protections regarding the conversion.
- Requirements that the developer or association shall file the required recording information with the Division within 30 working days, upon creation of a cooperative.
- Requirements which prohibit a developer from closing on a contract for sale or a contract for lease for a period of more than five years until the developer prepares and delivers to the purchaser and to the Division documents in compliance with rules adopted by the Division and the Division notifies the developer that the filing is proper.
- Adoption of rules to ensure the efficient and effective transition from developer control of a cooperative to the establishment of a unit-controlled association.

#### Timeshare Commissioner of Deeds

The bill provides a statutory reference within subsection 721.97(1), Florida Statutes, created by CS/CS 626, relating to timeshare commissioner of deeds, shall take effect only if CS/HB 1125, relating to notary procedures, becomes law and thus, this provision shall operate retroactive to the effective date of CS/HB 626 and thus preserves the status quo of the existing law.

#### B. APPLICATION OF PRINCIPLES:

##### 1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

Yes, the bill increases rulemaking authority of the division.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

Yes, the division will have more authorized responsibility by virtue of the authorized rulemaking authority granted within chapter 719, Florida Statutes.

(3) any entitlement to a government service or benefit?

N/A

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

N/A

b. Does the bill require or authorize an increase in any fees?

N/A

c. Does the bill reduce total taxes, both rates and revenues?

N/A

d. Does the bill reduce total fees, both rates and revenues?

N/a

e. Does the bill authorize any fee or tax increase by any local government?

N/A

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

Section 718.501(2)(a), Florida Statutes, provides that each condominium association that operates more than two units shall pay to the division a fee equal to \$4.00 per residential unit operated by the condominium association.

Section 718.502(3)(a), Florida Statutes, provides that a developer shall pay to the division \$20.00 for each residential condominium to be sold by the developer and described in the documents filed with the division.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

The bill increases a buyer's option to be able to close during the fifteen-day voidability period and facilitates voting by committee and board members of associations by permitting voting by speaker phone. However, the removal of the fifteen-day voidability period, designed to protect the buyer and provide ample time to review complicated and unfamiliar documents, may create problems if the buyer does not have an opportunity to properly investigate the condominium documents.

The bill permits condominium associations established before 1977 the freedom to operate under a single association. Those condominium associations will be permitted to amend their declaration or bylaws to provide for consolidated financial operations. In the example of the Innisbrook Condominium Association, this will permit all investor owners from different condominiums who join in the rental pool to share income and expenses on an equal basis, with the only difference being between the type of unit. Conversely, the owners within a smaller condominium may have less control and freedom as a smaller part of a single combined association of many associations.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

**C. STATUTE(S) AFFECTED:**

The bill amends sections 718.103, 718.111, 718.112, 718.115, 718.116, 718.503, 718.504, 719.103, 719.1035, 719.104, 719.106, 719.301, 719.403, 719.502, 719.503, Florida Statutes. The bill creates section 719.621, Florida Statutes.

**E. SECTION-BY-SECTION RESEARCH:**

**Section 1.**

Section 718.103, Florida Statutes, is amended to define the "Division" as the Division of Florida Land Sales, Condominiums, and Mobile Homes of the Department of Business and Professional Regulation. The bill defines "buyer" as a person who purchases a condominium, to be used interchangeably with the term purchaser.

**Section 2.**

Subsection 718.111(6), Florida Statutes, is amended to remove the terminology of "Phase" as being the requisite for one condominium association to be authorized to operate two or more separate condominiums as a single association. Phase condominiums are provided for directly in section 718.403, Florida Statutes, and were also referred to within this section. The section is amended to provide that if the initial condominium declaration was recorded prior to January 1, 1977, the condominium association may operate more than one condominium as if it were a single condominium. The Division estimates that there may be twenty to twenty-five condominiums that meet this criteria.

The bill is amended to provide that an association for two or more condominiums may provide for a consolidated financial operation by amending its declaration, or by amending its bylaws if the amendment is approved by at least two-thirds of the voting interests.

Innisbrook is an upscale resort condominium development in Tarpon Springs which began construction in approximately 1970, prior to enactment of the phase condominium statutes. Presently, there are twenty-eight separate condominiums in Innisbrook. The declarations of condominiums provided that while the condominium property was to be separately owned, all of the condominiums which had been built between 1970 and 1985 were to operate under a single association known as the "Innisbrook Condominium Association." The Innisbrook Condominium Association petitioned the Division for a declaratory statement that the Association was in compliance with the statutes. In October, 1993, the Division, after review of the declarations of condominiums within Innisbrook, concluded that the Innisbrook Condominium Association was required to maintain separate budgets and financial records for each condominium that it operates. Until that ruling, Innisbrook Condominium Association had not maintained separate accounting records for each condominium. All expenses had been shared within the single association and allocated to each unit according to the type of unit within the condominium. All rental income had been paid into the single association, expenses were paid, and income was shared according to the type of unit within the condominium. There are only four types of units at Innisbrook and the units vary little within the various types of condominium buildings. There had been no difference as to location or difference in the actual maintenance costs of a building. Innisbrook Condominium Association now must maintain twenty-eight separate budgets, with costs and rental income shared only within the individual condominium association. There apparently is a consensus at Innisbrook that the present arrangement is unfair as well as contrary to the disclosures signed when each person purchased a unit. Some units apparently have substantially increased costs and

expenses, whereas other units presumably have decreased costs. This matter is scheduled to be presented at their annual board meeting in March, 1998.

Section 718.111(11)(a), Florida Statutes, is amended to provide that while a unit-owner controlled association is required to use its "best efforts" to obtain and maintain adequate insurance, a developer-controlled association shall be required to "exercise due diligence" to obtain and maintain such insurance. The failure to obtain and maintain adequate insurance while under developer control will be a "breach of fiduciary responsibility" by the developer appointed members of the board of directors, unless said members can show that in spite of the failure, they exercised "due diligence."

Section 718.111(11)(d), Florida Statutes, is amended to provide that an association shall obtain and maintain insurance or fidelity bonding for all persons who control or disburse funds. Persons who control or disburse funds is defined to include, but not be limited to, those individuals authorized to sign checks and the president, secretary and treasurer of the association. The association shall bear the cost of the bonding.

Section 718.111(12)(c)1., Florida Statutes, is amended to provide that the association must maintain year-end financial information required by section 718.111 on the condominium property to ensure availability to owners and prospective purchasers.

Section 718.111(15), Florida Statutes, is amended to provide that reserve and operating funds maybe combined for investment purchasers. If funds are combined for prudent investment purposes, the funds must be accounted for separately and may not be less than the amount identified as reserve funds.

### **Section 3.**

Section 718.112(2)(d), Florida Statutes, is amended to provide that a candidate for a board membership must meet the requirements set forth in the condominium declaration and be eligible to vote in the jurisdiction of his or her residence. This provision is intended to prevent convicted felons (who have not had their rights restored) from serving on boards.

Section 718.112(2)(d)3., Florida Statutes, is amended to provide that the limitation of "After January 1, 1992" from the requirement that members of the board of administration shall be elected by written ballot or voting machine.

Section 718.112(2)(d)8., Florida Statutes, is amended to provide that a vacancy occurring on the board before the expiration of a term may be filled by the affirmative vote of the majority vote of the remaining directors, even if the remaining directors constitute less than a quorum, or by the sole remaining director, unless otherwise provided in the bylaws. Alternatively, a board may hold an election which must conform to the statutory election process of this section, unless otherwise provided in the bylaws.

Section 718.112(2)(e), Florida Statutes, is amended to provide that the board of administration shall hand deliver to each unit owner, or mail to each unit owner at the address last furnished, of the meeting notice and proposed budget.

Section 718.112(2)(f), Florida Statutes, is amended to provide that after turnover of the association to the unit owners, any of the expenses listed in section 718.504(20), Florida Statutes, which are not applicable need not be listed.

Section 718.112(2)(j), Florida Statutes, deletes the former subsection relating to fidelity bonding, which is now addressed in subsection 718.111(11)(d), Florida Statutes.

**Section 4.**

Section 718.115(1)(b), Florida Statutes, provides that if the declaration does not provide that the cost of a master antenna system or cable television service obtained is a common expense, the board of administration may enter into a contract and the cost of the service will be a common expense to be allocated on a per-unit basis.

**Section 5.**

Section 718.503(2), Florida Statutes, is amended to provide that contract language references the provision of year-end financial information and includes a copy of the most recent year-end financial information.

**Section 6.**

Section 718.503(2), Florida Statutes, is amended to provide that a copy of financial information required by section 718.111, Florida Statutes, must be included with prospectus or offering circular provided to buyers.

**Section 7.**

Section 718.116, Florida Statutes, is amended to provide that if a developer-controlled association has maintained all insurance coverage required by section 718.111(11), Florida Statutes, in the event of a natural disaster or Act of God, the developer and owners shall be responsible for a pro-rata share of expenses not covered by the proceeds of insurance. Section 718.111(11), Florida Statutes, does not require a specific amount of insurance and also provides that an association may self-insure.

This bill may provide an opportunity for a developer-controlled association to provide minimal insurance, thereby shifting the burden of risk to the individual condominium owners. This would appear to benefit the developer, particularly if the developer is taking advantage of provisions of section 718.116, Florida Statutes (being excused from making payments of common expenses and assessments during a "guarantee" period if provided for in the condominium declaration).

Section 718.111(11), Florida Statutes, as amended, provides that a developer-controlled association is required to "exercise due diligence" to obtain and maintain such insurance. Black's Law Dictionary defines due diligence as:

Such measure of prudence, activity, or assiduity, as is properly to be expected from, and ordinarily exercised by, a reasonable and prudent man under the particular circumstances; not measured by any absolute standard, but depending on the relative facts of the special case.

**Section 8.**

Section 719.103, Florida Statutes, is amended to define the "Division" to be the Division of Florida Land Sales, Condominiums, and Mobile Homes of the Department of Business and Professional Regulation. The definitions of the terms buyer, common areas, conspicuous type, limited common areas, rental agreement, and residential cooperative are clarified.

**Section 9.**

Section 719.1035, Florida Statutes, is amended to require that the developer or association file the required recording information with the Division within 30 working days, upon creation of a cooperative.

**Section 10.**

Section 719.104(10), Florida Statutes, is amended to provide that when a board of directors intends to dissolve or merge the cooperative association, the board shall notify the Division before taking any action to dissolve or merge the association.

**Section 11.**

Section 719.106(1), Florida Statutes, is amended to provide that a board of administration member or committee member who was not present at a meeting may submit his or her agreement or disagreement with any action taken at a meeting, but such concurrence may not be used to create a quorum. The bill provides that a board member or committee member may vote by telephone and that person's attendance can count for purposes of obtaining a quorum if a speaker phone is used in order that everyone present at the meeting can hear the vote.

**Section 12.**

Section 719.301(12), Florida Statutes, is added to provide the Division with the authority to adopt rules to administer transfer of association control.

**Section 13.**

Section 719.403, Florida Statutes, is amended to require that cooperative documents or amendments must file the recording information with the Division with 30 days on a form prescribed by the Division.

**Section 14.**

Section 719.502, Florida Statutes, is amended to prohibit a developer from closing on a contract for sale or a contract for lease for a period of more than five years until the developer prepares and delivers to the purchaser and to the Division documents that comply with section 719.502, Florida Statutes, and rules adopted by the Division and the Division notifies the developer that the filing is proper.

The bill authorizes the Division to develop filing, review, and examination requirements and relevant timetables necessary to ensure compliance with the requirements within the section.

**Section 15.**

Section 719.503, Florida Statutes, is amended to provide that a buyer may close during the fifteen days following execution of a purchase agreement if the buyer agrees to close during the fifteen-year voidability period. The developer must retain proof of such agreement to close early for five years after the closing date.

It is also unclear whether the buyer may still thereafter void the contract and closing during the fifteen-day voidability period. An example of the potential conflict is where a buyer closes on day three, but then changes his mind on day ten and attempts to void the closing. Similarly, it is unclear if a buyer signs an agreement to close during the fifteen-day voidability period, yet decides to revoke the agreement prior to the closing within the fifteen-day period.

According to the Division, there are occasions when the closing has been delayed because of multiple amendments, possibly single word changes, which have prevented buyers (sophisticated and not) from closing after they have actually had the majority of the required documents for months. By the time amendments have been completed, the buyers may be impatient and not recognize the public policy behind the fifteen-day voidability period.

While circumstances described by the Division where the buyer may have had ample time to review all but minor changes to the documents may be a legitimate concern, this change equally applies to the common situation where developers are selling their existing inventory of units. In this circumstance, the buyer's first exposure to the documents will be when they sign the contract to purchase and the buyer may not have sufficient time to appreciate the necessity of reviewing the documents.

**Section 16.**

Section 719.621, Florida Statutes, is created to provide the Division sufficient rulemaking authority to adopt rules to administer and ensure compliance to enforce the developer's obligations to residents during conversion including requirements to file and notice intended cooperative conversions, provide rental agreement extensions, right of first refusal, disclosure and post-disclosure protections regarding the conversion.

**Section 17.**

Subsection 721.05(28), Florida Statutes, is amended to reference section 718.103, Florida Statutes, to include an interest in a condominium unit within the definition of "timeshare estate."

**Section 18.**

Subsection 721.97(1), Florida Statutes, which is created by CS/CS SB 626, is amended to reference the oaths required to be taken regarding timeshare commissioners of deeds are not limited to section 117.05, Florida Statutes (1997).

**Section 19.**

Section 19 provides that the amendment to subsection 721.97(1), Florida Statutes, made by CS/CS 626, relating to timeshare commissioner of deeds, shall take effect only if CS/HB 1125, relating to notary procedures, becomes law and thus, this provision shall operate retroactive to the effective date of CS/HB 626 and thus will preserve the status quo of the existing law.

**Section 20.**

Provides that the bill will take effect upon becoming a law.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

According to the Division, any effect will be minimal.

3. Long Run Effects Other Than Normal Growth:

According to the Division, any effect will be minimal.

4. Total Revenues and Expenditures:

According to the Division, any effect will be minimal.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A

2. Direct Private Sector Benefits:

N/A

3. Effects on Competition, Private Enterprise and Employment Markets:

N/A

D. FISCAL COMMENTS:

N/A

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of state tax shared with counties or municipalities.

COMMENTS:

N/A.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The Committee on Real Property & Probate adopted a strike everything amendment which was incorporated into a committee substitute. The Committee on Governmental Rules and Regulations adopted a strike-everything amendment which was adopted into a committee substitute.

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V. SIGNATURES:

**COMMITTEE ON REAL PROPERTY & PROBATE:**

Prepared by:

Legislative Research Director:

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Jeanne Slizyk

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P. K. Jameson

**AS REVISED BY THE COMMITTEE ON GOVERNMENTAL RULES AND REGULATIONS:**

Prepared by:

Legislative Research Director:

\_\_\_\_\_  
Angela Price

\_\_\_\_\_  
David M. Greenbaum

**FINAL RESEARCH PREPARED BY COMMITTEE ON REAL ESTATE & PROBATE:**

Prepared by:

Legislative Research Director:

\_\_\_\_\_  
Jeanne Slizyk

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P.K. Jameson