A bill to be entitled

ENROLLED CS/HB 1277, Engrossed 1

2007 Legislature

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An act relating to residential tenancies; amending s.

An act relating to residential tenancies; amending s. 83.43, F.S.; revising and providing definitions; amending s. 83.595, F.S.; allowing a landlord to terminate a rental agreement and recover liquidated damages or charge the tenant an early termination fee for breach of the agreement, or both, under certain circumstances; requiring the tenant to indicate acceptance of an early termination fee or liquidated-damages provision in the rental agreement in order for the provision to take effect; providing a limit on the combined total of damages and fee; providing liability of the tenant for rent, other charges otherwise due, and rental concessions; 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. Subsection (7) of section 83.43, Florida Statutes, is amended, and subsection (17) is added to that section, to read:
- 83.43 Definitions.--As used in this part, the following words and terms shall have the following meanings unless some other meaning is plainly indicated:
- (7) "Rental agreement" means any written agreement, including amendments or addenda, or oral agreement if for a less duration of less than 1 year, providing for use and occupancy of premises.
  - (17) "Early termination fee" means any charge, fee, or

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forfeiture that	is provided for in a written rental agreement
and is assessed	to a tenant when a tenant vacates a dwelling
unit before the	end of the rental agreement. An early
termination fee	does not include:

- (a) Unpaid rent through the end of the month in which the tenant occupied the dwelling unit.
  - (b) Charges for damages to the dwelling unit.
- Section 2. Section 83.595, Florida Statutes, is amended to read:
- 83.595 Choice of remedies upon breach <u>or early termination</u> by tenant.--
- (1) If the tenant breaches the <u>rental agreement</u> <del>lease</del> for the dwelling unit and the landlord has obtained a writ of possession, or the tenant has surrendered possession of the dwelling unit to the landlord, or the tenant has abandoned the dwelling unit, the landlord may:
- (1) (a) Treat the <u>rental agreement</u> lease as terminated and retake possession for his or her own account, thereby terminating any further liability of the tenant; or
- (2) (b) Retake possession of the dwelling unit for the account of the tenant, holding the tenant liable for the difference between the rent rental stipulated to be paid under the rental lease agreement and what, in good faith, the landlord is able to recover from a reletting. If the landlord retakes possession, the landlord has a duty to exercise good faith in attempting to relet the premises, and any rent received by the landlord as a result of the reletting shall be deducted from the balance of rent due from the tenant. For purposes of this

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- subsection, the term "good faith in attempting to relet the premises" means that the landlord uses at least the same efforts to relet the premises as were used in the initial rental or at least the same efforts as the landlord uses in attempting to rent other similar rental units but does not require the landlord to give a preference in renting the premises over other vacant dwelling units that the landlord owns or has the responsibility to rent; or
- $\underline{\text{(3)}}$  (c) Stand by and do nothing, holding the lessee liable for the rent as it comes due; or.
- (4) If liquidated damages or an early termination fee are provided for in the rental agreement, treat the rental agreement as terminated and recover liquidated damages or charge an early termination fee upon the tenant's giving notice. This remedy is available only if the tenant, at the time the rental agreement was made, indicated acceptance of liquidated damages or an early termination fee by placing his or her signature or initials next to the provision in the agreement. If acceptance is not indicated, only the remedies available in subsection (1), subsection (2), or subsection (3) apply.
- (a) The landlord is entitled to both liquidated damages and an early termination fee if the combined total charge does not exceed an amount equal to 2 months' rent.
- (b) In addition to liquidated damages or an early termination fee, the landlord may charge the tenant for any unpaid rent and other charges due under the rental agreement through the end of the month in which the landlord retakes possession of the dwelling unit, and any rent concessions that

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the tenant has received up to the maximum of 1 month's rent. For purposes of this paragraph, the term "rent concessions" means any amount contained in the rental agreement by which all or a portion of the base rent is reduced in consideration for the tenant's entering into the rental agreement.

- (c) This subsection does not apply if the breach is failure to give notice as provided in s. 83.575.
- (2) If the landlord retakes possession of the dwelling unit for the account of the tenant, the landlord has a duty to exercise good faith in attempting to relet the premises, and any rentals received by the landlord as a result of the reletting shall be deducted from the balance of rent due from the tenant. For purposes of this section, "good faith in attempting to relet the premises" means that the landlord shall use at least the same efforts to relet the premises as were used in the initial rental or at least the same efforts as the landlord uses in attempting to lease other similar rental units but does not require the landlord to give a preference in leasing the premises over other vacant dwelling units that the landlord owns or has the responsibility to rent.
  - Section 3. This act shall take effect upon becoming a law.