

## LEGISLATIVE ACTION

Senate House

Comm: RCS 04/13/2010

The Committee on General Government Appropriations (Baker) recommended the following:

## Senate Amendment (with title amendment)

Delete lines 451 - 1016

and insert:

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requirements for contractors can be obtained online at www.myflorida.com/dbpr/pro/cilb.

- (2) (a) If the contract is written, the notice must be in the contract document. If the contract is oral or implied, the notice must be provided in a document referencing the contract.
- (3) (b) The failure to provide such written notice does not bar the enforcement of a lien against a person who has not been adversely affected.

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(4) <del>(c)</del> This section may not be construed to adversely affect the lien and bond rights of lienors who are not in privity with the owner. This section does not apply when the owner is a contractor licensed under chapter 489 or is a person who created parcels or offers parcels for sale or lease in the ordinary course of business.

Section 3. Paragraph (c) of subsection (2) of section 713.06, Florida Statutes, is amended to read:

713.06 Liens of persons not in privity; proper payments. (2)

(c) The notice may be in substantially the following form and must include the information and the warning contained in the following form:

WARNING! FLORIDA'S CONSTRUCTION LIEN LAW ALLOWS SOME UNPAID CONTRACTORS, SUBCONTRACTORS, AND MATERIAL SUPPLIERS TO FILE LIENS AGAINST YOUR PROPERTY EVEN IF YOU HAVE MADE PAYMENT IN FULL.

UNDER FLORIDA LAW, YOUR FAILURE TO MAKE SURE THAT WE ARE PAID MAY RESULT IN A LIEN AGAINST YOUR PROPERTY AND YOUR PAYING TWICE.

TO PROTECT YOURSELF, EACH TIME YOU MAKE A PAYMENT TO THE CONTRACTOR ASK YOUR CONTRACTOR TO PROVIDE YOU WITH A WRITTEN WAIVER AND RELEASE OF LIEN FROM US. FOR ADDITIONAL INFORMATION, REFER TO THE GENERAL STATEMENT OF OWNER'S RIGHTS AND RESPONSIBILITIES WHICH WAS PROVIDED TO YOU BY OUR CONTRACTOR AT THE BEGINNING OF YOUR CONSTRUCTION PROJECT. AVOID A LIEN AND PAYING TWICE, YOU MUST OBTAIN A WRITTEN RELEASE FROM US EVERY



42 TIME YOU PAY YOUR CONTRACTOR.

NOTICE TO OWNER

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To ... (Owner's name and address) ...

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The undersigned hereby informs you that he or she has furnished or is furnishing services or materials as follows:

... (General description of services or materials) ... for the improvement of the real property identified as ... (property description) ... under an order given by ......

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Florida law prescribes the serving of this notice and restricts your right to make payments under your contract in accordance with Section 713.06, Florida Statutes.

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# IMPORTANT INFORMATION FOR YOUR PROTECTION

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Under Florida's laws, those who work on your property or provide materials and are not paid have a right to enforce their claim for payment against your property. This claim is known as a construction lien.

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If your contractor fails to pay subcontractors or material suppliers or neglects to make other legally required payments, the people who are owed money may look to your property for payment, EVEN IF YOU HAVE PAID YOUR CONTRACTOR IN FULL.

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### PROTECT YOURSELF:

-RECOGNIZE that this Notice to Owner may result in a lien against your property unless all those supplying a Notice to



Owner have been paid.

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-LEARN more about the Construction Lien Law, Chapter 713, Part I, Florida Statutes, and the meaning of this notice by contacting an attorney or the Florida Department of Business and Professional Regulation.

> ..... (Lienor's Signature) ..... .....(Lienor's Name)..... .....(Lienor's Address).....

Copies to: ... (Those persons listed in Section 713.06(2)(a) and (b), Florida Statutes)...

The form may be combined with a notice to contractor given under s. 255.05 or s. 713.23 and, if so, may be entitled "NOTICE TO OWNER/NOTICE TO CONTRACTOR."

Section 4. Section 713.13, Florida Statutes, is amended to read:

713.13 Notice of commencement.

- (1)(a) Except for an improvement that is exempt pursuant to s. 713.02(5), an owner or the owner's authorized agent before actually commencing to improve any real property, or recommencing completion of any improvement after default or abandonment, whether or not a project has a payment bond complying with s. 713.23, shall record a notice of commencement in the clerk's office and forthwith post either a certified copy thereof or a notarized statement that the notice of commencement has been filed for recording along with a copy thereof. The notice of commencement shall contain the following information:
- 1. A description sufficient for identification of the real property to be improved. The description should include the

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legal description of the property and also should include the street address and tax folio number of the property if available or, if there is no street address available, such additional information as will describe the physical location of the real property to be improved.

- 2. A general description of the improvement.
- 3. The name and address of the owner, the owner's interest in the site of the improvement, and the name and address of the fee simple titleholder, if other than such owner.
  - 4. The name and address of the contractor.
- 5. The name and address of the surety on the payment bond under s. 713.23, if any, and the amount of such bond.
- 6. The name and address of any person making a loan for the construction of the improvements.
- 7. The name and address within the state of a person other than himself or herself who may be designated by the owner as the person upon whom notices or other documents may be served under this part; and service upon the person so designated constitutes service upon the owner.
- (b) The owner, at his or her option, may designate a person in addition to himself or herself to receive a copy of the lienor's notice as provided in s. 713.06(2)(b), and if he or she does so, the name and address of such person must be included in the notice of commencement.
- (c) If the contract between the owner and a contractor named in the notice of commencement expresses a period of time for completion for the construction of the improvement greater than 1 year, the notice of commencement must state that it is effective for a period of 1 year plus any additional period of



129 time. Any payments made by the owner after the expiration of the 130 notice of commencement are considered improper payments. 131 (d) A notice of commencement must be in substantially the 132 following form: 133 134 Tax Folio No.... Permit No.... 135 NOTICE OF COMMENCEMENT 136 State of.... 137 County of.... 138 139 The undersigned hereby gives notice that improvement will be 140 made to certain real property, and in accordance with Chapter 713, Florida Statutes, the following information is provided in 141 142 this Notice of Commencement. 1. Description of property: ... (legal description of the 143 144 property, and street address if available) .... 145 2. General description of improvement:.... 3. Owner information:.... 146 147 a. Name and address:.... 148 b. Interest in property:..... 149 c. Name and address of fee simple titleholder (if other than Owner):.... 150 151 4.a. Contractor: ... (name and address) .... 152 b. Contractor's phone number:.... 153 5. Surety...(a copy of the payment bond is attached, if the 154 project is bonded).... 155 a. Name and address:.... 156 b. Phone number:.... 157 c. Amount of bond: \$.....



158 6.a. Lender:..... (name and address)..... 159 b. Lender's phone number:.... 7.a. Persons within the State of Florida designated by 160 161 Owner upon whom notices or other documents may be served as provided by Section 713.13(1)(a)7., Florida Statutes: 162 163 ..... (name and address) ...... 164 b. Phone numbers of designated persons:.... 165 8.a. In addition to himself or herself, Owner designates 166 ..... of ..... to receive a copy of the Lienor's 167 Notice as provided in Section 713.13(1)(b), Florida Statutes. 168 b. Phone number of person or entity designated by 169 owner:.... 9. Expiration date of notice of commencement (the 170 171 expiration date is 1 year from the date of recording unless a 172 later different date is specified)..... 173 174 WARNING TO OWNER: IF THIS NOTICE OF COMMENCEMENT WILL EXPIRE 175 BEFORE ALL WORK IS COMPLETED AND FINAL PAYMENT IS MADE, THE 176 EXPIRATION DATE MUST BE EXTENDED. ANY PAYMENTS MADE BY THE OWNER AFTER THE EXPIRATION OF THE NOTICE OF COMMENCEMENT ARE 177 178 CONSIDERED IMPROPER PAYMENTS UNDER CHAPTER 713, PART I, SECTION 179 713.13, FLORIDA STATUTES, AND CAN RESULT IN YOUR PAYING TWICE 180 FOR IMPROVEMENTS TO YOUR PROPERTY. A NOTICE OF COMMENCEMENT MUST BE RECORDED AND POSTED ON THE JOB SITE BEFORE THE FIRST 181 182 INSPECTION. IF YOU INTEND TO OBTAIN FINANCING, CONSULT WITH YOUR 183 LENDER OR AN ATTORNEY BEFORE COMMENCING WORK OR RECORDING YOUR 184 NOTICE OF COMMENCEMENT. 185 186 Under penalty of perjury, I declare that I have read the



187	foregoing notice of commencement and that the facts stated
188	therein are true to the best of my knowledge and belief.
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190	(Signature of Owner or Owner's Authorized
191	Officer/Director/Partner/Manager)
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193	(Signatory's Title/Office)
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195	The foregoing instrument was acknowledged before me this
196	day of,(year), by(name of person) as(type
197	of authority,e.g. officer, trustee, attorney in fact) for
198	(name of party on behalf of whom instrument was executed)
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200	(Signature of Notary Public - State of Florida)
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202	(Print, Type, or Stamp Commissioned Name of Notary
203	Public)
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205	Personally Known OR Produced Identification
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207	Type of Identification Produced
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209	Verification pursuant to Section 92.525, Florida Statutes.
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211	Under penalties of perjury, I declare that I have read the
212	foregoing and that the facts stated in it are true to the best
213	of my knowledge and belief.
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215	(Signature of Natural Person Signing Above)

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- (e) A copy of any payment bond must be attached at the time of recordation of the notice of commencement. The failure to attach a copy of the bond to the notice of commencement when the notice is recorded negates the exemption provided in s. 713.02(6). However, if a payment bond under s. 713.23 exists but was not attached at the time of recordation of the notice of commencement, the bond may be used to transfer any recorded lien of a lienor except that of the contractor by the recordation and service of a notice of bond pursuant to s. 713.23(2). The notice requirements of s. 713.23 apply to any claim against the bond; however, the time limits for serving any required notices shall begin running from the later of the time specified in s. 713.23 or the date the notice of bond is served on the lienor.
- (f) The giving of a notice of commencement is effective upon the filing of the notice in the clerk's office.
- (q) The owner must sign the notice of commencement and no one else may be permitted to sign in his or her stead.
- (2) If the improvement described in the notice of commencement is not actually commenced within 90 days after the recording thereof, such notice is void and of no further effect.
- (3) The recording of a notice of commencement does not constitute a lien, cloud, or encumbrance on real property, but gives constructive notice that claims of lien under this part may be recorded and may take priority as provided in s. 713.07. The posting of a copy does not constitute a lien, cloud, or encumbrance on real property, nor actual or constructive notice of any of them.
- (4) This section does not apply to an owner who is constructing improvements described in s. 713.04.

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- (5) (a) A notice of commencement that is recorded within the effective period may be amended to extend the effective period, change erroneous information in the original notice, or add information that was omitted from the original notice. However, in order to change contractors, a new notice of commencement or notice of recommencement must be executed and recorded.
- (b) The amended notice must identify the official records book and page where the original notice of commencement is recorded, and a copy of the amended notice must be served by the owner upon the contractor and each lienor who serves notice before or within 30 days after the date the amended notice is recorded.
- (6) Unless otherwise provided in the notice of commencement or a new or amended notice of commencement, a notice of commencement is not effectual in law or equity against a conveyance, transfer, or mortgage of or lien on the real property described in the notice, or against creditors or subsequent purchasers for a valuable consideration, after 1 year after the date of recording the notice of commencement.
- (7) A lender must, prior to the disbursement of any construction funds to the contractor, record the notice of commencement in the clerk's office as required by this section; however, the lender is not required to post a certified copy of the notice at the construction site. The posting of the notice at the construction site remains the owner's obligation. The failure of a lender to record the notice of commencement as required by this subsection renders the lender liable to the owner for all damages sustained by the owner as a result of the failure. Whenever a lender is required to record a notice of

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commencement, the lender shall designate the lender, in addition to others, to receive copies of notices to owner. This subsection does not give any person other than the owner a claim or right of action against a lender for failure to record a notice of commencement.

Section 5. Section 713.135, Florida Statutes, is amended to read:

- 713.135 Notice of commencement and applicability of lien.-
- (1) When any person applies for a building permit, the authority issuing such permit shall:
- (a) Require the applicant to submit the signed and dated general statement of an owner's rights and responsibilities under Florida's Construction Lien Law provided in s. 713.015 for any single-family or multifamily dwelling up to and including four units. A building permit application may not be processed unless the signed document is in the file.
- (b) (a) Print on the face of each permit card in no less than 14-point, capitalized, boldfaced type: "WARNING TO OWNER: IF YOU FAIL YOUR FAILURE TO RECORD A NOTICE OF COMMENCEMENT, YOU MAY PAY RESULT IN YOUR PAYING TWICE FOR IMPROVEMENTS TO YOUR PROPERTY. A NOTICE OF COMMENCEMENT, AND THE CONTRACTOR'S PAYMENT BOND IF THE PROJECT IS BONDED, MUST BE RECORDED AND POSTED ON THE JOB SITE BEFORE THE FIRST INSPECTION. IF YOU INTEND TO OBTAIN FINANCING, CONSULT WITH YOUR LENDER OR AN ATTORNEY BEFORE RECORDING YOUR NOTICE OF COMMENCEMENT."
- (c) (b) Make available to Provide the applicant and the owner of the real property upon which improvements are to be constructed copies of the general statement of an owner's rights and responsibilities under Florida's with a printed statement

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stating that the right, title, and interest of the person who has contracted for the improvement may be subject to attachment under the Construction Lien Law, as described in s. 713.015, along with the attached statutory form. The issuing authority may make the general statement and form available in printed form or on the Internet or both. The Department of Business and Professional Regulation shall furnish, for distribution, the statement described in this paragraph, and the statement must be a summary of the Construction Lien Law and must include an explanation of the provisions of the Construction Lien Law relating to the recording, and the posting of copies, of notices of commencement and a statement encouraging the owner to record a notice of commencement and post a copy of the notice of commencement in accordance with s. 713.13. The statement must also contain an explanation of the owner's rights if a lienor fails to furnish the owner with a notice as provided in s. 713.06(2) and an explanation of the owner's rights as provided in s. 713.22. The authority that issues the building permit must obtain from the Department of Business and Professional Regulation the statement required by this paragraph and must mail, deliver by electronic mail or other electronic format or facsimile, or personally deliver that statement to the owner or, in a case in which the owner is required to personally appear to obtain the permit, provide that statement to any owner making improvements to real property consisting of a single or multiple family dwelling up to and including four units. However, the failure by the authorities to provide the summary does not subject the issuing authority to liability. (c) In addition to providing the owner with the statement

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as required by paragraph (b), inform each applicant who is not the person whose right, title, and interest is subject to attachment that, as a condition to the issuance of a building permit, the applicant must promise in good faith that the statement will be delivered to the person whose property is subject to attachment.

- (d) Furnish to the applicant two or more copies of a form of notice of commencement conforming with s. 713.13. If the direct contract is greater than \$2,500, the applicant shall file with the issuing authority prior to the first inspection either a certified copy of the recorded notice of commencement or a notarized statement that the notice of commencement has been filed for recording, along with a copy thereof. In the absence of the filing of a certified copy of the recorded notice of commencement, the issuing authority or a private provider performing inspection services may not perform or approve subsequent inspections until the applicant files by mail, facsimile, hand delivery, or any other means such certified copy with the issuing authority. The certified copy of the notice of commencement must contain the name and address of the owner, the name and address of the contractor, and the location or address of the property being improved. The issuing authority shall
- (d) Verify that the name and address of the owner, the name of the contractor, and the location or address of the property being improved which is contained in the certified copy of the notice of commencement is consistent with the information in the building permit application.
- (e) Provide the recording information from the official public records in which the notice of commencement and payment

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bond, if any, are recorded to any person upon request. The issuing authority shall provide the recording information on the certified copy of the recorded notice of commencement to any person upon request. This subsection does not require the recording of a notice of commencement prior to the issuance of a building permit. If a local government requires a separate permit or inspection for installation of temporary electrical service or other temporary utility service, land clearing, or other preliminary site work, such permits may be issued and such inspections may be conducted without providing the issuing authority with a certified copy of a recorded notice of commencement or a notarized statement regarding a recorded notice of commencement. This subsection does not apply to a direct contract to repair or replace an existing heating or airconditioning system in an amount less than \$7,500.

- (f) (e) Not require that a notice of commencement be recorded as a condition of the application for, or processing or issuance of, a building permit. However, this paragraph does not modify or waive the inspection requirements set forth in this subsection.
- (g) Not require that a notice of commencement be recorded or provided for those projects described in s. 713.137(2).
- (2) An issuing authority under subsection (1) is not liable in any civil action for the failure of the person whose property is subject to attachment to receive or to be delivered the general statement of an owner's rights and responsibilities under Florida's a printed statement stating that the right, title, and interest of the person who has contracted for the improvement may be subject to attachment under the Construction



Lien Law as provided in s. 713.015.

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- (3) An issuing authority under subsection (1) is not liable in any civil action for the failure to verify that a certified copy of the recorded notice of commencement has been filed in accordance with this section.
- (4) The several boards of county commissioners, municipal councils, or other similar bodies may by ordinance or resolution establish reasonable fees for furnishing, upon request, copies of the forms and the printed statement provided in paragraph (1) (a) paragraphs (1) (b) and (d) in an amount not to exceed \$5 to be paid by the applicant for each permit in addition to all other costs of the permit; however, no forms or statement need be furnished, mailed, or otherwise provided to, nor may such additional fee be obtained from, applicants for permits in those cases in which the owner of a legal or equitable interest (including that of ownership of stock of a corporate landowner) of the real property to be improved is engaged in the business of construction of buildings for sale to others and intends to make the improvements authorized by the permit on the property and upon completion will offer the improved real property for sale.
- (5) In addition to any other information required by the authority issuing the permit, each building permit application must contain:
  - (a) The name and address of the owner of the real property;
  - (b) The name and address of the contractor;
- (c) A description sufficient to identify the real property to be improved; and
  - (d) The number or identifying symbol assigned to the



419	building permit by the issuing authority, which <del>number or symbol</del>
420	must be affixed to the application by the issuing authority.
421	(6)(a) In addition to any other information required by the
422	authority issuing the permit, the building permit application
423	must be in substantially the following form:
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425	Tax Folio No
426	BUILDING PERMIT APPLICATION
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428	Owner's Name
429	Owner's Address
430	Fee Simple Titleholder's Name (If other than owner)
431	Fee Simple Titleholder's Address (If other than owner)
432	City
433	State Zip
434	Contractor's Name
435	Contractor's Address
436	City
437	State Zip
438	Job Name
439	Job Address
440	City County
441	Legal Description
442	Bonding Company
443	Bonding Company Address
444	City State
445	Architect/Engineer's Name
446	Architect/Engineer's Address
447	Mortgage Lender's Name



448 Mortgage Lender's Address..... 449 450 Application is hereby made to obtain a permit to do the 451 work and installations as indicated. I certify that no work or 452 installation has commenced prior to the issuance of a permit and 453 that all work will be performed to meet the standards of all 454 laws regulating construction in this jurisdiction. I understand 455 that a separate permit must be secured for ELECTRICAL WORK, 456 PLUMBING, SIGNS, WELLS, POOLS, FURNACES, BOILERS, HEATERS, 457 TANKS, and AIR CONDITIONERS, etc. 458 459 OWNER'S AFFIDAVIT: I certify that all the foregoing information 460 is accurate and that all work will be done in compliance with 461 all applicable laws regulating construction and zoning. 462 463 WARNING TO OWNER: IF YOU FAIL YOUR FAILURE TO RECORD A NOTICE OF COMMENCEMENT, YOU MAY PAY RESULT IN YOUR 464 465 PAYING TWICE FOR IMPROVEMENTS TO YOUR PROPERTY. A 466 NOTICE OF COMMENCEMENT, AND THE CONTRACTOR'S PAYMENT 467 BOND IF THE PROJECT IS BONDED, MUST BE RECORDED AND 468 POSTED ON THE JOB SITE BEFORE THE FIRST INSPECTION. 469 470 IF YOU INTEND TO OBTAIN FINANCING, CONSULT WITH YOUR 471 LENDER OR AN ATTORNEY BEFORE COMMENCING WORK OR 472 RECORDING YOUR NOTICE OF COMMENCEMENT. 473 474 ... (Signature of Owner or Agent) ... 475 476 ... (including contractor)...

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477	STATE OF FLORIDA
478	COUNTY OF
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480	Sworn to (or affirmed) and subscribed before me this
481	day of,(year), by(name of person making
482	statement)
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484	(Signature of Notary Public - State of Florida)
485	(Print, Type, or Stamp Commissioned Name of Notary Public)
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487	Personally Known OR Produced Identification
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489	Type of Identification Produced
490	(Signature of Contractor)
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492	STATE OF FLORIDA
493	COUNTY OF
494	
495	Sworn to (or affirmed) and subscribed before me this
496	day of,(year), by(name of person making
497	statement)
498	(Signature of Notary Public - State of Florida)
499	(Print, Type, or Stamp Commissioned Name of Notary Public)
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501	Personally Known OR Produced Identification
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503	Type of Identification Produced
504	(Certificate of Competency Holder)
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506 Contractor's State Certification or Registration No..... 507 508 Contractor's Certificate of Competency No...... 509 APPLICATION APPROVED BY 510 .....Permit Officer 511 512

(b) Consistent with the requirements of paragraph (a), an authority responsible for issuing building permits under this section may accept a building permit application in an electronic format, as prescribed by the authority. Building permit applications submitted to the authority electronically must contain the following additional statement in lieu of the requirement in paragraph (a) that a signed, sworn, and notarized signature of the owner or agent and the contractor be part of the owner's affidavit:

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OWNER'S ELECTRONIC SUBMISSION STATEMENT: Under penalty of perjury, I declare that all the information contained in this building permit application is true and correct.

- (c) An authority responsible for issuing building permit applications which accepts building permit applications in an electronic format shall provide public Internet access to the electronic building permit applications in a searchable format.
- (7) This section applies to every municipality and county in the state which now has or hereafter may have a system of issuing building permits for the construction of improvements or for the alteration or repair of improvements on or to real property located within the geographic limits of the issuing authority.



535 ========= T I T L E A M E N D M E N T ============ 536 And the title is amended as follows: 537 Delete lines 26 - 42 538 539 and insert: 540 persons not in privity with the owner; amending s. 541 713.13, F.S.; revising the form of the notice of 542 commencement; requiring the posting of a payment bond on a job site; amending s. 713.135, F.S.; revising the 543 544 warning to the owner printed on certain permit cards; 545 deleting a requirement relating to filing a notice of 546 commencement before certain inspections; revising the 547 warning to the owner provided on a building permit

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form; creating