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By the Committee on Regulated Industries; and Senator Baker

580-02452-10 20101048c1 A bill to be entitled

An act relating to construction bonds; amending s. 255.05, F.S.; requiring that a contractor record in the official records a payment bond for a public works construction project; requiring that the bond number be stated on the first page of a bond; prohibiting the issuing authority for a building permit or a private provider performing inspection services from inspecting the property being improved until certain documents are filed; providing that a payment and performance bond is not required for certain contracts; authorizing certain entities to exempt certain contracts from the requirement for a payment and performance bond; requiring that the clerk of court serve a notice of contest of lien; amending s. 713.015, F.S.; requiring that a contractor provide an owner with a general statement of an owner's rights and responsibilities under Florida's Construction Lien Law; requiring that a signed copy of the statement be filed with the building permit application; specifying the form and content of the statement; deleting the requirement that notice be included in the direct contract between the contractor and the owner; amending s. 713.06, F.S.; revising the form of a notice for liens of persons not in privity with the owner; amending s. 713.09, F.S.; including units in provisions relating to a single claim of lien; deleting certain requirements relating to direct contracts; amending s. 713.13, F.S.; providing for the

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expiration of a notice of commencement; revising the form of the notice of commencement; requiring the posting of a payment bond on a job site; amending s. 713.135, F.S.; revising the warning to the owner printed on certain permit cards; deleting a requirement relating to filing a notice of commencement before certain inspections; revising the warning to the owner provided on a building permit form; deleting provisions requiring the authority issuing a building permit to provide certain statements and information; creating s. 713.137, F.S.; prohibiting the authority issuing a building permit or a private provider performing inspection services from inspecting an improvement until certain documents have been filed and the information in the notice of commencement meets certain standards; providing exceptions; amending s. 713.16, F.S.; revising requirements for demands for a copy of a construction contract and a statement of account; authorizing a lienor who submits or mails a claim of lien to the clerk for recording to make certain demands to an owner for certain written statements; providing requirements for such written demands; amending s. 713.18, F.S.; providing additional methods by which certain items may be served by mail; specifying information required on certain written instruments under certain circumstances; amending s. 713.22, F.S.; requiring that the clerk of court serve a notice of contest of lien; amending s. 713.23, F.S.; requiring

that the clerk of court serve a notice of contest of nonpayment; conforming cross-references; amending s. 713.24, F.S.; requiring that the clerk of court serve a copy of the certificate showing the transfer of a lien and a copy of the security if the lien is transferred to a security; authorizing a clerk to collect certain service charges under certain circumstances; providing an effective date.

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

Section 1. Subsection (1) and paragraph (a) of subsection (2) of section 255.05, Florida Statutes, are amended to read: 255.05 Bond of contractor constructing public buildings; form; action by materialmen.—

(1) (a) Any person entering into a formal contract with the state or any county, municipality city, or political subdivision thereof, or other public authority or private entity, for the construction of a public building, for the prosecution and completion of a public work, or for repairs upon a public building or public work shall be required, before commencing the work or before recommencing the work after a default or abandonment, to execute and, deliver to the public owner, and record in the public records of the county where the improvement is located, a payment and performance bond with a surety insurer authorized to do business in this state as surety.

(a) A public entity may not require a contractor to secure a surety bond under this section from a specific agent or bonding company.

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(b) The bond must state on its front page: the name, principal business address, and phone number of the contractor, the surety, the owner of the property being improved, and, if different from the owner, the contracting public entity; the contract number assigned by the contracting public entity; the bond number assigned by the surety; and a description of the project sufficient to identify it, such as a legal description or the street address of the property being improved, and a general description of the improvement.

- (c) Such bond shall be conditioned upon the contractor's performance of the construction work in the time and manner prescribed in the contract and promptly making payments to all persons defined in s. 713.01 who furnish labor, services, or materials for the prosecution of the work provided for in the contract.
- (d) The contractor shall record the payment bond upon issuance in the official records of the county in which the improvement will be located.
- (e)1. The issuing authority for the building permit, or a private provider performing inspection services, may not inspect the property being improved until:
- a. The issuing authority has a copy of the contractor's recorded payment bond on file; or
- b. The contracting public entity has filed with the issuing authority a notarized statement stating that the contract is exempt from the requirement for a payment bond as provided in this section.
- 2. This paragraph does not apply to inspections for the installation of temporary electrical service or other temporary

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utility service, land clearing, or other preliminary site work.

- (f) Any claimant may apply to the governmental entity having charge of the work for copies of the contract and bond and shall thereupon be furnished with a certified copy of the contract and bond. The claimant has shall have a right of action against the contractor and surety for the amount due him or her, including unpaid finance charges due under the claimant's contract. Such action shall not involve the public authority in any expense.
- (g)1. A payment and performance bond is not required for a contract with the state for \$100,000 or less. When such work is done for the state and the contract is for \$100,000 or less, no payment and performance bond shall be required.
- 2. At the discretion of The official or board awarding a such contract when such work is done for a any county, municipality city, political subdivision, or public authority may exempt a contract, any person entering into such a contract which is for \$200,000 or less from the requirement for a may be exempted from executing the payment and performance bond.
- 3. When such work is done for the state, The Secretary of Management Services may delegate to a state agency agencies the authority to exempt any person entering into such a contract for amounting to more than \$100,000 but less than \$200,000 from the requirement for a executing the payment and performance bond. If In the event such exemption is granted, the officer or officials are shall not be personally liable to persons suffering loss because of granting such exemption. The Department of Management Services shall maintain information on the number of requests by state agencies for delegation of authority to waive the bond

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requirements by agency and project number and whether any request for delegation was denied and the justification for the denial.

- (h) Any provision in a payment bond furnished for public work contracts as provided by this subsection which restricts the classes of persons as defined in s. 713.01 protected by the bond or the venue of any proceeding relating to such bond is unenforceable.
- (i) (b) The Department of Management Services shall adopt rules with respect to all contracts for \$200,000 or less, to provide:
- 1. Procedures for retaining up to 10 percent of each request for payment submitted by a contractor and procedures for determining disbursements from the amount retained on a pro rata basis to laborers, materialmen, and subcontractors, as defined in s. 713.01.
- 2. Procedures for requiring certification from laborers, materialmen, and subcontractors, as defined in s. 713.01, prior to final payment to the contractor, that such laborers, materialmen, and subcontractors have no claims against the contractor resulting from the completion of the work provided for in the contract.

The state <u>is</u> shall not be held liable to any laborer, materialman, or subcontractor for any amounts greater than the pro rata share as determined under this section.

 $\underline{\text{(j)}}$ (c)1. The amount of the bond shall equal the contract price, except that for a contract in excess of \$250 million, if the state, county, municipality, political subdivision, or other

public entity finds that a bond in the amount of the contract price is not reasonably available, the public owner shall set the amount of the bond at the largest amount reasonably available, but not less than \$250 million.

- 2. For construction-management or design-build contracts, if the public owner does not include in the bond amount the cost of design or other nonconstruction services, the bond may not be conditioned on performance of such services or payment to persons furnishing such services. Notwithstanding paragraph (h) (a), such a bond may exclude persons furnishing such services from the classes of persons protected by the bond.
- (2) (a) 1. If a claimant is no longer furnishing labor, services, or materials on a project, a contractor or the contractor's agent or attorney may elect to shorten the prescribed time in this paragraph within which an action to enforce any claim against a payment bond must provided pursuant to this section may be commenced by recording in the clerk's office a notice in substantially the following form:

NOTICE OF CONTEST OF CLAIM

AGAINST PAYMENT BOND

To: ... (Name and address of claimant) ...

You are notified that the undersigned contests your notice of nonpayment, dated, and served on the undersigned on, and that the time within which you may file suit to enforce your claim is limited to 60 days after the date of service of this notice.

204 DATED on,

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206 Signed:...(Contractor or Attorney)...

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The claim of any claimant upon whom such notice is served and who fails to institute a suit to enforce his or her claim against the payment bond within 60 days after service of such notice shall be extinguished automatically. The clerk shall serve mail a copy of the notice of contest to the claimant at the address shown in the notice of nonpayment or most recent amendment thereto and shall certify to such service on the face of such notice and record the notice. Service is complete upon mailing.

2. A claimant, except a laborer, who is not in privity with the contractor shall, before commencing or not later than 45 days after commencing to furnish labor, services, or materials for the prosecution of the work, furnish the contractor with a written notice that he or she intends to look to the bond for protection. A claimant who is not in privity with the contractor and who has not received payment for his or her labor, services, or materials shall deliver to the contractor and to the surety written notice of the performance of the labor or delivery of the materials or supplies and of the nonpayment. The notice of nonpayment may be served at any time during the progress of the work or thereafter but not before 45 days after the first furnishing of labor, services, or materials, and not later than 90 days after the final furnishing of the labor, services, or materials by the claimant or, with respect to rental equipment, not later than 90 days after the date that the rental equipment

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was last on the job site available for use. Any notice of nonpayment served by a claimant who is not in privity with the contractor which includes sums for retainage must specify the portion of the amount claimed for retainage. An No action for the labor, materials, or supplies may not be instituted against the contractor or the surety unless both notices have been given. Notices required or permitted under this section may be served in accordance with s. 713.18. A claimant may not waive in advance his or her right to bring an action under the bond against the surety. In any action brought to enforce a claim against a payment bond under this section, the prevailing party is entitled to recover a reasonable fee for the services of his or her attorney for trial and appeal or for arbitration, in an amount to be determined by the court, and the which fee must be taxed as part of the prevailing party's costs, as allowed in equitable actions. The time periods for service of a notice of nonpayment or for bringing an action against a contractor or a surety shall be measured from the last day of furnishing labor, services, or materials by the claimant and shall not be measured by other standards, such as the issuance of a certificate of occupancy or the issuance of a certificate of substantial completion.

Section 2. Section 713.015, Florida Statutes, is amended to read:

- 713.015 <u>General statement of owner's rights and</u> responsibilities <u>Mandatory provisions for direct contracts</u>.
- (1) For any direct contract $\frac{\text{greater than } \$2,500}{\text{monor}}$ between an owner and a contractor, related to improvements to real property consisting of single or multiple family dwellings up to and

580-02452-10 20101048c1 262 including four units, the contractor must provide the owner with 263 a copy of the general statement of owner's rights and 264 responsibilities under Florida's Construction Lien Law as set 265 forth in subsection (2), which must be contain the following 266 notice provision printed in no less than 12-point, capitalized, 267 boldfaced type on the front page of the contract or on a 268 separate page, signed by the owner and dated, and submitted with 269 the original building permit application pursuant to s. 270 713.135.÷ 271 2.72 ACCORDING TO FLORIDA'S CONSTRUCTION LIEN LAW (SECTIONS 713.001-273 713.37, FLORIDA STATUTES), THOSE WHO WORK ON YOUR PROPERTY OR 274 PROVIDE MATERIALS AND SERVICES AND ARE NOT PAID IN FULL HAVE A 275 RIGHT TO ENFORCE THEIR CLAIM FOR PAYMENT AGAINST YOUR PROPERTY. 276 THIS CLAIM IS KNOWN AS A CONSTRUCTION LIEN. IF YOUR CONTRACTOR 2.77 OR A SUBCONTRACTOR FAILS TO PAY SUBCONTRACTORS, SUB-278 SUBCONTRACTORS, OR MATERIAL SUPPLIERS, THOSE PEOPLE WHO ARE OWED 279 MONEY MAY LOOK TO YOUR PROPERTY FOR PAYMENT, EVEN IF YOU HAVE 280 ALREADY PAID YOUR CONTRACTOR IN FULL. IF YOU FAIL TO PAY YOUR CONTRACTOR, YOUR CONTRACTOR MAY ALSO HAVE A LIEN ON YOUR 281 282 PROPERTY. THIS MEANS IF A LIEN IS FILED YOUR PROPERTY COULD BE 283 SOLD AGAINST YOUR WILL TO PAY FOR LABOR, MATERIALS, OR OTHER 284 SERVICES THAT YOUR CONTRACTOR OR A SUBCONTRACTOR MAY HAVE FAILED 285 TO PAY. TO PROTECT YOURSELF, YOU SHOULD STIPULATE IN THIS 286 CONTRACT THAT BEFORE ANY PAYMENT IS MADE, YOUR CONTRACTOR IS 287 REQUIRED TO PROVIDE YOU WITH A WRITTEN RELEASE OF LIEN FROM ANY 288 PERSON OR COMPANY THAT HAS PROVIDED TO YOU A "NOTICE TO OWNER." 289 FLORIDA'S CONSTRUCTION LIEN LAW IS COMPLEX, AND IT IS 290 RECOMMENDED THAT YOU CONSULT AN ATTORNEY.

(2) The general statement of an owner's rights and responsibilities under Florida's Construction Lien Law must be in substantially the following form, must include the information contained in the following form, and must include a copy of a notice of commencement as provided in s. 713.13(1), a waiver and release of lien upon progress payment as provided in s. 713.20(4), a waiver and release of lien upon final payment as provided in s. 713.20(5), a request for sworn statement of account as provided in s. 713.16, and a contractor's final payment affidavit as provided in s. 713.06(3):

GENERAL STATEMENT OF OWNER'S RIGHTS AND RESPONSIBILITIES UNDER FLORIDA'S CONSTRUCTION LIEN LAW

ABOUT THIS DOCUMENT.—Florida law requires your contractor to provide you with this document and the attached statutory forms when you are contracting to make improvements to real property. Therefore, it is critical that you have some understanding of Florida's construction lien and payment laws and take appropriate steps to protect your investment and fulfill your obligations to those who provide labor and materials for your project.

You must acknowledge that you have received and read this document by signing on the signature page. The signed original document must be delivered to the building permit authority, along with the building permit application for your project.

Your building permit application will not be processed unless

this signed document is in the file. You need to retain a copy of the filed document and the attached statutory forms so that you can follow the procedures described in the document and identify the proper statutory forms as you proceed with your construction project.

THE FLORIDA CONSTRUCTION LIEN LAW.—Part I of chapter 713, Florida Statutes (F.S.), governs private construction projects in this state. The complete text of this law can be found at www.leg.state.fl.us. This general statement is intended as a guide and does not take precedence over the language of Florida's Construction Lien Law.

Under this law, those who work on your property or provide materials and services and who are not paid in full have a right to enforce their claim for payment against your property. This claim is known as a construction lien. If your contractor or a subcontractor fails to pay subcontractors, sub-subcontractors, or material suppliers, those people who are owed money may look to your property for payment even if you have already paid your contractor in full. If you fail to pay your contractor, your contractor may also have a lien on your property. This means that if a lien is filed, your property could be sold against your will to pay for labor, materials, or other services that your contractor or a subcontractor may have failed to pay.

The law also provides procedures to protect owners and guarantee that you will never have to pay more than the amount of your contract if you make proper payments. Although the

construction lien law has many complexities, the steps owners can take to protect themselves and establish a "proper payment defense" are simple, but very important.

IF YOU FOLLOW THESE FOUR SIMPLE STEPS, FLORIDA LAW WILL PROTECT YOU AND YOU SHOULD NEVER HAVE TO PAY TWICE FOR THE SAME LABOR OR MATERIALS.

STEP 1 — THE NOTICE OF COMMENCEMENT.—An owner is required by law to complete, sign, and record in the public records an accurate Notice of Commencement for all direct contracts that exceed \$2,500, and must provide certain specified information.

The information provided in the recorded Notice of Commencement is relied upon by all parties who provide labor and materials to your project. A copy of the statutory Notice of Commencement form, s. 713.13, F.S., is attached to this document.

If a lender is financing your project, the lender will assist you in completing the Notice of Commencement and is responsible for recording it in the public records. It is critical that your Notice of Commencement be recorded after any construction loan or mortgage documents are recorded. If you do not have a lender, preparing and recording the Notice of Commencement is your responsibility. The Notice of Commencement must be recorded before commencing construction and posted on your jobsite. For most projects, a copy of the recorded Notice of Commencement must be submitted to the building permit authority before the first building inspection.

STEP 2 — MONITOR THE DOCUMENTS AND NOTICES YOU RECEIVE.—
Pick up your certified mail. Most lien notices are served by
certified mail and you need to know who is providing labor and
materials to your project. Section 713.18, F.S., provides that
any properly addressed notices that are returned to the sender
through no fault of the sender are considered served on the date
sent, so failing to claim certified mail only hurts you.

If you expect to be absent for periods of time during your project, you should have an attorney or other agent in a position of trust who understands the law handle these details for you. Make sure someone is receiving your mail and taking steps to obtain the necessary lien releases before making payments to your contractor. If you receive anything that you do not understand, seek the assistance of an experienced construction law attorney.

STEP 3 — OBTAIN SIGNED LIEN WAIVERS EACH TIME YOU MAKE A
PAYMENT TO YOUR CONTRACTOR.—Each time you pay your contractor
you should obtain a Waiver and Release of Lien form from the
contractor and from anyone who serves you with a Notice to
Owner. Make sure that each release waives lien rights against
your project for work or materials furnished through the date of
the work or materials that your payment covers. This date is
probably not the date you are making the payment, but a date
before the payment date through which labor and materials have
been billed.

UNDER FLORIDA LAW, YOU HAVE THE RIGHT TO WITHHOLD PAYMENTS

DUE TO THE CONTRACTOR UNTIL YOU HAVE BEEN PROVIDED WITH A

WRITTEN WAIVER AND RELEASE OF LIEN UPON PROGRESS PAYMENT FORM OR

A WRITTEN WAIVER AND RELEASE OF LIEN UPON FINAL PAYMENT FORM

SHOWING THAT THE LIENOR'S CLAIM FOR PAYMENT HAS BEEN PAID.

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There are two statutory Waiver and Release of Lien forms. The signed Waiver and Release of Lien Upon Progress Payment should be submitted by a contractor, subcontractor, or material supplier each time you make a payment to your contractor. The signed Waiver and Release of Lien Upon Final Payment should be submitted by your contractor, a subcontractor, or material supplier when they are finished furnishing all work or materials for your project and have received final payment. For example, when the plumber finishes all plumbing on your project and receives final payment from the contractor, you should obtain a Waiver and Release of Lien Upon Final Payment. Once you receive a final waiver from a contractor, subcontractor, or material supplier, you should not need another waiver unless they are hired to do additional work. A copy of both statutory Waiver and Release of Lien forms, s. 713.20, F.S., are attached to this document.

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STEP 4 — OBTAIN A CONTRACTOR'S FINAL PAYMENT AFFIDAVIT

BEFORE YOU MAKE FINAL PAYMENT TO YOUR CONTRACTOR.—In addition to obtaining Final Waiver and Release of Lien forms from the contractor and anyone who has served you with a Notice to Owner, you should obtain a Contractor's Final Payment Affidavit before you make final payment to your contractor. This sworn affidavit should reflect that everyone who supplied labor and materials on

your project has been paid in full or should list those subcontractors and suppliers who are still owed money. Make sure that anyone listed as not being paid in full is paid before making final payment to your contractor. You have a right to rely on the information contained in the sworn affidavit when you make final payment to your contractor with respect to any lienor who has not served a Notice to Owner. A copy of the statutory Contractor's Final Payment Affidavit form, s. 713.06, F.S., is attached to this document.

ADDITIONAL INFORMATION FOR YOUR PROTECTION

1. Always hire a Florida-licensed contractor. You can verify the license status of your contractor by accessing the website of the Department of Business and Professional Regulation at www.myflorida.com/dbpr and performing a licensee search. You can check under an individual name or, if your contractor is a company, under the business name and then check to see who the qualifying licensee is for that company.

2. Make sure that your contractor has the proper workers' compensation coverage, or an allowed workers' compensation exemption, and carries sufficient public liability and property damage insurance. The contractor should be able to provide you with current, valid certificates of insurance from his or her insurance agent.

3. Use caution before accepting an obviously low bid. If it seems too good to be true, it probably is, and your construction

project may be in trouble before you even begin.

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4. Some contractors require a reasonable deposit to cover the cost of plans and permitting. This is an acceptable practice. However, you should use caution before paying substantial sums to a contractor in advance of the work being performed.

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5. At any time during the construction process if you need contract or payment information from anyone providing labor, services, or materials to your project, you have the right to make a written request to them for a Sworn Statement of Account to ascertain the nature of the work performed or to be performed, the materials furnished or to be furnished, the amounts paid or to be paid, or the amounts due or to become due to them. The form for this written Request for Sworn Statement of Account is attached to this statement. If you received a Notice to Owner from the person to whom you wish to send such a request, make sure you address the request to the person, company, and address listed in the Notice to Owner. The request must be served by you in accordance with lien law provisions (usually by hand delivery, certified mail, or overnight delivery) and you should make sure to request and keep the proof of delivery.

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6. If you receive documents or information that you do not understand, consult an experienced construction law attorney.

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7. Florida has a Homeowners' Construction Recovery Fund

580-02452-10 20101048c1 that is funded through a portion of the building permit fees. 494 495 This fund helps consumers who have been harmed by a licensed 496 general contractor, building contractor, or residential 497 contractor. In order to be eligible to recover from this fund, 498 you must have complied with the proper payment procedures as 499 described in this document. For more information, contact the 500 Construction Industry Licensing Board at 501 www.myflorida.com/dbpr/pro/cilb. 502 503 8. You have the right to require in your contract that the 504 contractor furnish a payment bond so that the owner is exempt 505 from the Construction Lien Law. If there is a payment bond, a lienor must file a claim on the payment bond for payment rather 506 507 than file a lien on the property. However, if you require a 508 payment bond, understand that the payment bond will likely 509 increase the cost of your construction. 510 511 OWNER'S ACKNOWLEDGMENT AND RECEIPT 512 513 The undersigned owner(s) of Florida real property hereby 514 acknowledge that they are preparing to enter into a contract 515 with for the 516 construction of real property improvements to the following-517 described property (insert address or legal description): 518 519 520 521 522 ... (Signature of Property Owner) (Date)

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580-02452-10 20101048c1 523 524 ...(Signature of Property Owner).....(Date)..... 525 526 Attached Statutory Forms: 527 Notice of Commencement 528 Waiver and Release of Lien Upon Progress Payment 529 Waiver and Release of Lien Upon Final Payment 530 Request for Sworn Statement of Account 531 Contractor's Final Payment Affidavit 532 (2) (a) If the contract is written, the notice must be in 533 the contract document. If the contract is oral or implied, the 534 notice must be provided in a document referencing the contract. 535 (3) (b) The failure to provide such written notice does not 536 bar the enforcement of a lien against a person who has not been 537 adversely affected. 538 (4) (c) This section may not be construed to adversely 539 affect the lien and bond rights of lienors who are not in 540 privity with the owner. This section does not apply when the 541 owner is a contractor licensed under chapter 489 or is a person 542 who created parcels or offers parcels for sale or lease in the 543 ordinary course of business. 544 Section 3. Paragraph (c) of subsection (2) of section 545 713.06, Florida Statutes, is amended to read: 546 713.06 Liens of persons not in privity; proper payments.-547 (2) 548 (c) The notice may be in substantially the following form 549 and must include the information and the warning contained in 550 the following form:

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552 WARNING! FLORIDA'S CONSTRUCTION LIEN LAW ALLOWS SOME 553 UNPAID CONTRACTORS, SUBCONTRACTORS, AND MATERIAL 554 SUPPLIERS TO FILE LIENS AGAINST YOUR PROPERTY EVEN IF 555 YOU HAVE MADE PAYMENT IN FULL. 556 557 UNDER FLORIDA LAW, YOUR FAILURE TO MAKE SURE THAT WE ARE PAID 558 MAY RESULT IN A LIEN AGAINST YOUR PROPERTY AND YOUR PAYING 559 TWICE. 560 TO PROTECT YOURSELF, EACH TIME YOU MAKE A PAYMENT TO THE 561 CONTRACTOR ASK YOUR CONTRACTOR TO PROVIDE YOU WITH A WRITTEN 562 WAIVER AND RELEASE OF LIEN FROM US. FOR ADDITIONAL INFORMATION, 563 REFER TO THE GENERAL STATEMENT OF OWNER'S RIGHTS AND 564 RESPONSIBILITIES WHICH WAS PROVIDED TO YOU BY OUR CONTRACTOR AT 565 THE BEGINNING OF YOUR CONSTRUCTION PROJECT. AVOID A LIEN AND 566 PAYING TWICE, YOU MUST OBTAIN A WRITTEN RELEASE FROM US EVERY 567 TIME YOU PAY YOUR CONTRACTOR. 568 NOTICE TO OWNER 569 570 To ... (Owner's name and address) ... 571 572 The undersigned hereby informs you that he or she has furnished 573 or is furnishing services or materials as follows: 574 ... (General description of services or materials) ... for the 575 improvement of the real property identified as ... (property 576 description) ... under an order given by 577 578 Florida law prescribes the serving of this notice and restricts 579 your right to make payments under your contract in accordance 580 with Section 713.06, Florida Statutes.

IMPORTANT INFORMATION FOR YOUR PROTECTION

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.

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.

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.

-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.

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...(Lienor's Signature)...
...(Lienor's Name)...
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...(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."

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Section 4. Section 713.09, Florida Statutes, is amended to read:

713.09 Single claim of lien.—A lienor may is required to record only one claim of lien covering his or her entire demand against the real property when the amount demanded is for labor or services or material furnished for more than one improvement under the same direct contract. The single claim of lien is sufficient even though the improvement is for one or more improvements located on separate lots, parcels, units, or tracts of land. If materials to be used on one or more improvements on separate lots, parcels, units, or tracts of land under one direct contract are delivered by a lienor to a place designated by the person with whom the materialman contracted, other than the site of the improvement, the delivery to the place designated is prima facie evidence of delivery to the site of the improvement and incorporation in the improvement. The single claim of lien may be limited to a part of multiple lots, parcels, or tracts of land and their improvements or may cover all of the lots, parcels, units, or tracts of land and improvements. In each claim of lien under this section, the owner under the direct contract must be the same person for all lots, parcels, or tracts of land against which a single claim of lien is recorded.

Section 5. 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

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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 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

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does so, the name and address of such person must be included in

671 the notice of commencement.

(c) A notice of commencement expires:

- 1. Ninety days after the day of the final furnishing of all labor, services, and materials required by the direct contract, including any change orders; or
- 2. On the effective date of a notice of termination that has been served and recorded. 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 time. Any payments made by the owner after the expiration of the notice of commencement are considered improper payments.
- (d) A notice of commencement must be in substantially the following form:

688 Permit No....

Tax Folio No.....

NOTICE OF COMMENCEMENT

690 State of....

691 County of....

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The undersigned hereby gives notice that improvement will be made to certain real property, and in accordance with Chapter 713, Florida Statutes, the following information is provided in this Notice of Commencement.

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697 1. Description of property: ... (legal description of the 698 property, and street address if available) 699 2. General description of improvement:..... 700 3. Owner information:.... 701 a. Name and address:.... 702 b. Interest in property:..... 703 c. Name and address of fee simple titleholder (if other 704 than Owner):.... 4.a. Contractor: ... (name and address) 705 706 b. Contractor's phone number:.... 707 5. Surety ... (a copy of the payment bond is attached, if 708 the project is bonded).... 709 a. Name and address:.... b. Phone number:.... 710 711 c. Amount of bond: \$..... 712 6.a. Lender:...(name and address).... 713 b. Lender's phone number:.... 714 7.a. Persons within the State of Florida designated by 715 Owner upon whom notices or other documents may be served as 716 provided by Section 713.13(1)(a)7., Florida Statutes: ...(name 717 and address) b. Phone numbers of designated persons:.... 718 719 8.a. In addition to himself or herself, Owner designates 720 of to receive a copy of the Lienor's 721 Notice as provided in Section 713.13(1)(b), Florida Statutes. 722 b. Phone number of person or entity designated by 723 owner:.... 724 9. This notice of commencement expires 90 days after the 725 day of the final furnishing of all labor, services, and

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726
     materials required by the direct contract, including any change
727
     orders, or on the effective date of a notice of termination.
728
     Expiration date of notice of commencement (the expiration date
729
     is 1 year from the date of recording unless a different date is
730
     specified)....
731
732
     WARNING TO OWNER: ANY PAYMENTS MADE BY THE OWNER AFTER THE
733
     EXPIRATION OF THE NOTICE OF COMMENCEMENT ARE CONSIDERED IMPROPER
734
     PAYMENTS UNDER CHAPTER 713, PART I, SECTION 713.13, FLORIDA
735
     STATUTES, AND CAN RESULT IN YOUR PAYING TWICE FOR IMPROVEMENTS
736
     TO YOUR PROPERTY. A NOTICE OF COMMENCEMENT MUST BE RECORDED AND
737
     POSTED ON THE JOB SITE BEFORE THE FIRST INSPECTION. IF YOU
738
     INTEND TO OBTAIN FINANCING, CONSULT WITH YOUR LENDER OR AN
739
     ATTORNEY BEFORE COMMENCING WORK OR RECORDING YOUR NOTICE OF
740
     COMMENCEMENT.
741
742
     Under penalty of perjury, I declare that I have read the
743
     foregoing notice of commencement and that the facts stated
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     therein are true to the best of my knowledge and belief.
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746
     ... (Signature of Owner or Owner's Authorized
747
     Officer/Director/Partner/Manager) ...
748
749
     ... (Signatory's Title/Office)...
750
751
     The foregoing instrument was acknowledged before me this ....
752
     day of ...., ... (year)..., by ... (name of person)... as ... (type
753
     of authority,...e.g. officer, trustee, attorney in fact)... for
754
     ... (name of party on behalf of whom instrument was executed)....
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580-02452-10 20101048c1 755 756 ... (Signature of Notary Public - State of Florida) ... 757 758(Print, Type, or Stamp Commissioned Name of Notary 759 Public) 760 761 Personally Known OR Produced Identification 762 763 Type of Identification Produced..... 764 765 Verification pursuant to Section 92.525, Florida Statutes. 766 767 Under penalties of perjury, I declare that I have read the 768 foregoing and that the facts stated in it are true to the best 769 of my knowledge and belief. 770 771 ... (Signature of Natural Person Signing Above)... 772 (e) A copy of any payment bond must be attached at the time of recordation of the notice of commencement. The failure to 773 774 attach a copy of the bond to the notice of commencement when the 775 notice is recorded negates the exemption provided in s. 776 713.02(6). However, if a payment bond under s. 713.23 exists but 777 was not attached at the time of recordation of the notice of 778 commencement, the bond may be used to transfer any recorded lien 779 of a lienor except that of the contractor by the recordation and 780 service of a notice of bond pursuant to s. 713.23(2). The notice 781 requirements of s. 713.23 apply to any claim against the bond; 782 however, the time limits for serving any required notices shall 783 begin running from the later of the time specified in s. 713.23

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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.
- (g) 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.
- (2)(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.
- $\underline{(3)}$ (4) This section does not apply to an owner who is constructing improvements described in s. 713.04.
- (4) (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

813 recorded.

(5) (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 the expiration of 1 year after the date of recording the notice of commencement.

(6)(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 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 6. 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:

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(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 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 forms. The issuing authority may make the general statement and forms 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

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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 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

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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 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

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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.

- <u>(f) (e)</u> 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.
- (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.
- (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

580-02452-10 20101048c1 958 be furnished, mailed, or otherwise provided to, nor may such 959 additional fee be obtained from, applicants for permits in those 960 cases in which the owner of a legal or equitable interest 961 (including that of ownership of stock of a corporate landowner) of the real property to be improved is engaged in the business 962 963 of construction of buildings for sale to others and intends to 964 make the improvements authorized by the permit on the property and upon completion will offer the improved real property for 965 sale. 966 967 (5) In addition to any other information required by the 968 authority issuing the permit, each building permit application 969 must contain: 970 (a) The name and address of the owner of the real property; 971 (b) The name and address of the contractor; 972 (c) A description sufficient to identify the real property 973 to be improved; and 974 (d) The number or identifying symbol assigned to the 975 building permit by the issuing authority, which number or symbol 976 must be affixed to the application by the issuing authority. 977 (6)(a) In addition to any other information required by the 978 authority issuing the permit, the building permit application 979 must be in substantially the following form: 980 981 Tax Folio No..... 982 BUILDING PERMIT APPLICATION 983 984 Owner's Name..... Owner's Address..... 985 986 Fee Simple Titleholder's Name (If other than owner)......

,	580-02452-10 20101048c1
987	Fee Simple Titleholder's Address (If other than owner)
988	City
989	State Zip
990	Contractor's Name
991	Contractor's Address
992	City
993	State Zip
994	Job Name
995	Job Address
996	City County
997	Legal Description
998	Bonding Company
999	Bonding Company Address
L000	City State
L001	Architect/Engineer's Name
L002	Architect/Engineer's Address
L003	Mortgage Lender's Name
L004	Mortgage Lender's Address
L005	
L006	Application is hereby made to obtain a permit to do the
L007	work and installations as indicated. I certify that no work or
1008	installation has commenced prior to the issuance of a permit and
L009	that all work will be performed to meet the standards of all
L010	laws regulating construction in this jurisdiction. I understand
L011	that a separate permit must be secured for ELECTRICAL WORK,
L012	PLUMBING, SIGNS, WELLS, POOLS, FURNACES, BOILERS, HEATERS,
L013	TANKS, and AIR CONDITIONERS, etc.
L014	
L015	OWNER'S AFFIDAVIT: I certify that all the foregoing information

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      is accurate and that all work will be done in compliance with
1017
      all applicable laws regulating construction and zoning.
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            WARNING TO OWNER: IF YOU FAIL YOUR FAILURE TO RECORD A
1020
           NOTICE OF COMMENCEMENT, YOU MAY PAY RESULT IN YOUR
1021
            PAYING TWICE FOR IMPROVEMENTS TO YOUR PROPERTY. A
1022
           NOTICE OF COMMENCEMENT, AND THE CONTRACTOR'S PAYMENT
1023
            BOND IF THE PROJECT IS BONDED, MUST BE RECORDED AND
1024
            POSTED ON THE JOB SITE BEFORE THE FIRST INSPECTION.
1025
1026
            IF YOU INTEND TO OBTAIN FINANCING, CONSULT WITH YOUR
1027
           LENDER OR AN ATTORNEY BEFORE COMMENCING WORK OR
            RECORDING YOUR NOTICE OF COMMENCEMENT.
1028
1029
1030
                                      ... (Signature of Owner or Agent)...
1031
1032
                                             ... (including contractor) ...
1033
      STATE OF FLORIDA
1034
      COUNTY OF ....
1035
1036
            Sworn to (or affirmed) and subscribed before me this ....
1037
      day of ...., ... (year) ..., by ... (name of person making
1038
      statement) ....
1039
1040
                   ... (Signature of Notary Public - State of Florida) ...
1041
        ... (Print, Type, or Stamp Commissioned Name of Notary Public)...
1042
1043
            Personally Known .... OR Produced Identification ....
1044
```

ı	580-02452-10 20101048c1
1045	Type of Identification Produced
1046	(Signature of Contractor)
1047	
1048	STATE OF FLORIDA
1049	COUNTY OF
1050	
1051	Sworn to (or affirmed) and subscribed before me this
1052	day of,(year), by(name of person making
1053	statement)
1054	(Signature of Notary Public - State of Florida)
1055	(Print, Type, or Stamp Commissioned Name of Notary Public)
1056	
1057	Personally Known OR Produced Identification
1058	
1059	Type of Identification Produced
1060	(Certificate of Competency Holder)
1061	
1062	Contractor's State Certification or Registration No
1063	
1064	Contractor's Certificate of Competency No
1065	
1066	APPLICATION APPROVED BY
1067	Permit Officer
1068	(b) Consistent with the requirements of paragraph (a), an
1069	authority responsible for issuing building permits under this
1070	section may accept a building permit application in an
1071	electronic format, as prescribed by the authority. Building
1072	permit applications submitted to the authority electronically
1073	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:

- 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.
- Section 7. Section 713.137, Florida Statutes, is created to read:
- 713.137 Prerequisites to inspection of improvements; exceptions.—
- (1) The authority issuing a building permit or a private provider performing inspection services may not inspect the real property being improved unless:
- (a) The following documents have been filed with the issuing authority:
- 1100 <u>1.a. A certified copy of the recorded notice of</u> 1101 commencement; or
 - b. A notarized statement that the notice of commencement

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1103 has been filed for recording, along with a copy of the notice.

- 2. If the permit is for a commercial project:
- a. A copy of the contractor's recorded payment bond; or
- b. A notarized statement of the contractor or owner stating
 that a payment bond was not required.
 - 3. A signed copy of the general statement of owner's rights and responsibilities under Florida's Construction Lien Law, if required by s. 713.015.
 - (b) The information in the notice of commencement filed with the issuing authority is consistent with the building permit application, complete, and legible.
 - (2) This section does not apply to inspections of the following improvements:
 - (a) The installation of temporary electrical service or other temporary utility service, land clearing, or other preliminary site work.
 - (b) Improvements pursuant to a direct contract in an amount of \$5,000 or less.
 - (c) The repair or replacement of a heating or airconditioning system pursuant to a direct contract in an amount
 of \$7,500 or less.
- 1124 (d) The installation of a solar hot water system pursuant to a direct contract of \$7,500 or less.
- Section 8. Section 713.16, Florida Statutes, is amended to read:
- 1128 713.16 Demand for copy of contract and statements of account; form.—
- 1130 (1) A copy of the contract of a lienor or owner and a 1131 statement of the amount due or to become due if fixed or

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ascertainable thereon must be furnished by any party thereto, upon written demand of an owner or a lienor contracting with or employed by the other party to such contract. If the owner or lienor refuses or neglects to furnish such copy of the contract or such statement, or willfully and falsely states the amount due or to become due if fixed or ascertainable under such contract, any person who suffers any detriment thereby has a cause of action against the person refusing or neglecting to furnish the same or willfully and falsely stating the amount due or to become due for his or her damages sustained thereby. The information contained in such copy or statement furnished pursuant to such written demand is binding upon the owner or lienor furnishing it unless actual notice of any modification is given to the person demanding the copy or statement before such person acts in good faith in reliance on it. The person demanding such documents must pay for the reproduction thereof; and, if such person fails or refuses to do so, he or she is entitled only to inspect such documents at reasonable times and places.

(2) The owner may serve in writing a demand of any lienor for a written statement under oath of his or her account showing the nature of the labor or services performed and to be performed, if any, the materials furnished, the materials to be furnished, if known, the amount paid on account to date, the amount due, and the amount to become due, if known, as of the date of the statement by the lienor. Any such demand to a lienor must be served on the lienor at the address and to the attention of any person who is designated to receive the demand in the notice to owner served by such lienor and must include a

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1161 description of the project, including the names of the owner, 1162 the contractor, and the lienor's customer, sufficient for the 1163 lienor to properly identify the account in question. The failure 1164 or refusal to furnish the statement does not deprive the lienor 1165 of his or her lien if the demand is not served at the address of 1166 the lienor or directed to the attention of the person designated 1167 to receive the demand in the notice to owner. The failure or 1168 refusal to furnish the statement under oath within 30 days after the demand, or the furnishing of a false or fraudulent 1169 1170 statement, deprives the person so failing or refusing to furnish 1171 such statement of his or her lien. If the owner serves more than 1172 one demand for statement of account on a lienor and none of the 1173 information regarding the account has changed since the lienor's 1174 last response to a demand, the failure or refusal to furnish 1175 such statement does not deprive the lienor of his or her lien. 1176 The negligent inclusion or omission of any information deprives 1177 the person of his or her lien to the extent the owner can 1178 demonstrate prejudice from such act or omission by the lienor. 1179 The failure to furnish a response to a demand for statement of 1180 account does not affect the validity of any claim of lien being 1181 enforced through a foreclosure case filed prior to the date the 1182 demand for statement is received by the lienor. 1183

(3) A request for sworn statement of account must be in substantially the following form:

REOUEST FOR SWORN STATEMENT OF ACCOUNT

WARNING: YOUR FAILURE TO FURNISH THE REQUESTED STATEMENT, SIGNED UNDER OATH, WITHIN 30 DAYS OR THE FURNISHING OF A FALSE

STATEMENT WILL RESULT IN THE LOSS OF YOUR LIEN.

To: ... (Lienor's name and address) ...

The undersigned hereby demands a written statement under oath of his or her account showing the nature of the labor or services performed and to be performed, if any, the materials furnished, the materials to be furnished, if known, the amount paid on account to date, the amount due, and the amount to become due, if known, as of the date of the statement for the improvement of real property identified as ...(property description)....

Name of contractor:

..... (date of request for sworn statement of account)

(4) When a contractor has furnished a payment bond pursuant to s. 713.23, he or she may, when an owner makes any payment to the contractor or directly to a lienor, serve a written demand on any other lienor for a written statement under oath of his or her account showing the nature of the labor or services performed and to be performed, if any, the materials furnished, the materials to be furnished, if known, the amount paid on account to date, the amount due, and the amount to become due, if known, as of the date of the statement by the lienor. Any such demand to a lienor must be served on the lienor at the address and to the attention of any person who is designated to receive the demand in the notice to contractor served by such lienor. The failure or refusal to furnish the statement does not deprive the lienor of his or her rights under the bond if the

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580-02452-10 20101048c1 1219 demand is not served at the address of the lienor or directed to 1220 the attention of the person designated to receive the demand in 1221 the notice to contractor or if the demand does not include a 1222 description of the project, including the names of the owner, 1223 the contractor, and the lienor's customer as set forth in the 1224 lienor's notice to contractor, sufficient for the lienor to 1225 properly identify the account in question. The failure to 1226 furnish the statement within 30 days after the demand, or the 1227 furnishing of a false or fraudulent statement, deprives the 1228 person who fails to furnish the statement, or who furnishes the 1229 false or fraudulent statement, of his or her rights under the 1230 bond. If the contractor serves more than one demand for statement of account on a lienor and none of the information 1231 1232 regarding the account has changed since the lienor's last 1233 response to a demand, the failure or refusal to furnish such 1234 statement does not deprive the lienor of his or her rights under 1235 the bond. The negligent inclusion or omission of any information 1236 deprives the person of his or her rights under the bond to the 1237 extent the contractor can demonstrate prejudice from such act or 1238 omission by the lienor. The failure to furnish a response to a 1239 demand for statement of account does not affect the validity of 1240 any claim on the bond being enforced in a lawsuit filed prior to 1241 the date the demand for statement of account is received by the 1242 lienor. 1243

- (5) (a) Any lienor who <u>submits or mails</u> has recorded a claim of lien to the clerk for recording may make written demand on the owner for a written statement under oath showing:
- 1. The amount of the direct contract under which the lien was recorded;

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2. The dates and amounts paid or to be paid by or on behalf of the owner for all improvements described in the direct contract;

- 3. The reasonable estimated costs of completing the direct contract under which the lien was claimed pursuant to the scope of the direct contract; and
 - 4. If known, the actual cost of completion.
- (b) Any owner who does not provide the statement within 30 days after demand, or who provides a false or fraudulent statement, is not a prevailing party for purposes of an award of attorney's fees under s. 713.29. The written demand must include the following warning in conspicuous type in substantially the following form:

WARNING: YOUR FAILURE TO FURNISH THE REQUESTED STATEMENT WITHIN 30 DAYS OR THE FURNISHING OF A FALSE STATEMENT WILL RESULT IN THE LOSS OF YOUR RIGHT TO RECOVER ATTORNEY FEES IN ANY ACTION TO ENFORCE THE CLAIM OF LIEN OF THE PERSON REQUESTING THIS STATEMENT.

- (6) Any written demand served on the owner shall include a description of the project, including the names of the contractor and the lienor's customer as set forth in the lienor's notice to owner, sufficient for the owner to properly identify the project in question.
- (7)(6) For purposes of this section, the term "information" means the nature and quantity of the labor, services, and materials furnished or to be furnished by a lienor and the amount paid, the amount due, and the amount to become due on the lienor's account.
 - Section 9. Section 713.18, Florida Statutes, is amended to

1277 read:

713.18 Manner of serving notices and other instruments.-

- (1) Service of notices, claims of lien, affidavits, assignments, and other instruments permitted or required under this part, or copies thereof when so permitted or required, unless otherwise specifically provided in this part, must be made by one of the following methods:
- (a) By actual delivery to the person to be served; if a partnership, to one of the partners; if a corporation, to an officer, director, managing agent, or business agent; or, if a limited liability company, to a member or manager.
- (b) By sending the same by <u>common carrier delivery service</u>
 <u>or registered, global express guaranteed,</u> or certified mail, with postage prepaid, <u>and or by overnight or second-day delivery</u> with evidence of delivery, which may be in an electronic format.
- (c) If the method specified in paragraph (a) or paragraph

 (b) cannot be accomplished, By posting on the site of the improvement if service as provided by paragraph (a) or paragraph

 (b) cannot be accomplished premises.
- (2) Notwithstanding subsection (1), <u>service of if</u> a notice to owner, a notice to contractor under s. 713.23, or a preliminary notice under s. 255.05 is <u>mailed by registered or certified mail</u> with postage prepaid to the person to be served at any of the addresses set forth in subsection (3) within 40 days after the date the lienor first furnishes labor, services, or materials, service of that notice is effective as of the date of mailing if:
- (a) The notice is mailed by registered, global express guaranteed, or certified mail, with postage prepaid, to the

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person to be served at any of the addresses set forth in subsection (3);

- (b) The notice is mailed within 40 days after the date the lienor first furnishes labor, services, or materials; and
- $\underline{\text{(c)1.}}$ The person who served the notice maintains a registered or certified mail log that shows the registered or certified mail number issued by the United States Postal Service, the name and address of the person served, and the date stamp of the United States Postal Service confirming the date of mailing; or $\underline{\text{if}}$
- 2. The person who served the notice maintains electronic tracking records generated through use of the United States Postal Service Confirm service or a similar service containing the postal tracking number, the name and address of the person served, and verification of the date of receipt by the United States Postal Service.
- (3) (a) Service of If an instrument served pursuant to this section is effective on the date of mailing if the instrument:
- 1. Was sent to the last address shown in the notice of commencement or any amendment thereto or, in the absence of a notice of commencement, to the last address shown in the building permit application, or to the last known address of the person to be served; and, is not received, but
- $\underline{2}$. Is returned as being "refused," "moved, not forwardable," or "unclaimed," or is otherwise not delivered or deliverable through no fault of the person serving the item, then service is effective on the date the instrument was sent.
- (b) If the address information shown in the notice of commencement or any amendment to the notice, or in the absence

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of a notice of commencement, in the building permit application, is incomplete for purposes of mailing or delivery, the person serving the item may complete the address and properly format it according to United States Postal Service addressing standards using information obtained from the property appraiser or another public record or directory without affecting the validity of service under this section.

(4) A notice served by a lienor on one owner or one partner of a partnership owning the real property If the real property is owned by more than one person or a partnership, a lienor may serve any notices or other papers under this part on any one of such owners or partners, and such notice is deemed notice to all owners and partners.

Section 10. Section 713.22, Florida Statutes, is amended to read:

713.22 Duration of lien.-

- (1) A No lien provided by this part may not shall continue for a longer period than 1 year after the claim of lien has been recorded or 1 year after the recording of an amended claim of lien that shows a later date of final furnishing of labor, services, or materials, unless within that time an action to enforce the lien is commenced in a court of competent jurisdiction. A lien that has been continued beyond the 1-year period The continuation of the lien effected by the commencement of an the action is shall not enforceable be good against creditors or subsequent purchasers for a valuable consideration and without notice, unless a notice of lis pendens is recorded.
- (2) An owner or the owner's agent or attorney may elect to shorten the time prescribed in subsection (1) within which to

580-02452-10 20101048c1 1364 commence an action to enforce any claim of lien or claim against 1365 a bond or other security under s. 713.23 or s. 713.24 by 1366 recording in the clerk's office a notice in substantially the 1367 following form: 1368 NOTICE OF CONTEST OF LIEN 1369 To: ... (Name and address of lienor) ... 1370 You are notified that the undersigned contests the claim of lien 1371 filed by you on, ... (year)..., and recorded in Book 1372, Page, of the public records of County, Florida, 1373 and that the time within which you may file suit to enforce your 1374 lien is limited to 60 days from the date of service of this 1375 notice. This day of, ... (year).... 1376 Signed: ... (Owner or Attorney) ... 1377 1378 The lien of any lienor upon whom such notice is served and who 1379 fails to institute a suit to enforce his or her lien within 60 1380 days after service of such notice shall be extinguished 1381 automatically. The clerk shall serve mail a copy of the notice 1382 of contest to the lien claimant at the address shown in the claim of lien or most recent amendment thereto and shall certify 1383 1384 to such service on the face of such notice and record the 1385 notice. Service shall be deemed complete upon mailing. 1386 Section 11. Paragraph (e) of subsection (1) and subsections 1387 (2) and (4) of section 713.23, Florida Statutes, are amended to 1388 read: 1389 713.23 Payment bond. 1390 (1)1391 (e) An No action for the labor or materials or supplies may 1392 not be instituted or prosecuted against the contractor or surety

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unless both notices have been given. An No action may not shall
be instituted or prosecuted against the contractor or against
the surety on the bond under this section after 1 year from the
performance of the labor or completion of delivery of the
materials and supplies. The time period for bringing an action
against the contractor or surety on the bond shall be measured

from the last day of furnishing labor, services, or materials by the lienor. The time period may and shall not be measured by

the lienor. The time period may and shall not be measured by other standards, such as the issuance of a certificate of

1402 occupancy or the issuance of a certificate of substantial

1403 completion. A contractor or the contractor's agent or attorney

1404 may elect to shorten the prescribed time within which an action

1405 to enforce any claim against a payment bond provided under this

1406 section or s. 713.245 $\underline{\text{must}}$ $\underline{\text{may}}$ be commenced at any time after a

1407 notice of nonpayment, if required, has been served for the claim

by recording in the clerk's office a notice in substantially the

1409 following form:

NOTICE OF CONTEST OF CLAIM

AGAINST PAYMENT BOND

To: ... (Name and address of lienor) ...

You are notified that the undersigned contests your notice of nonpayment, dated,, and served on the undersigned on,, and that the time within which you may file suit to enforce your claim is limited to 60 days from the date of service of this notice.

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1421 Signed: ...(Contractor or Attorney)...

The claim of any lienor upon whom the notice is served and who fails to institute a suit to enforce his or her claim against the payment bond within 60 days after service of the notice shall be extinguished automatically. The clerk shall serve mail a copy of the notice of contest to the lienor at the address shown in the notice of nonpayment or most recent amendment thereto and shall certify to such service on the face of the notice and record the notice. Service is complete upon mailing.

(2) The bond shall secure every lien under the direct contract accruing subsequent to its execution and delivery, except that of the contractor. Every claim of lien, except that of the contractor, filed subsequent to execution and delivery of the bond shall be transferred to it with the same effect as liens transferred under s. 713.24. Record notice of the transfer shall be effected by the contractor, or any person having an interest in the property against which the claim of lien has been asserted, by recording in the clerk's office a notice in substantially the following form:

NOTICE OF BOND

1443 To ... (Name and Address of Lienor)...

You are notified that the claim of lien filed by you on ...,
and recorded in Official Records Book at page of
the public records of County, Florida, is secured by a
bond, a copy being attached.

1450 Signed: ...(Name of person recording notice)...

The notice shall be verified. The clerk shall mail a copy of the notice to the lienor at the address shown in the claim of lien, or the most recent amendment to it; shall certify to the service on the face of the notice; and shall record the notice. The clerk shall receive the same fee as prescribed in $\underline{s.713.24}$ $\underline{s.713.24}$ $\underline{s.713.24}$ for certifying to a transfer of lien.

(4) The provisions of <u>s. 713.24(7)</u> s. 713.24(3) shall apply to bonds under this section.

Section 12. Section 713.24, Florida Statutes, is amended to read:

713.24 Transfer of liens to security.-

- (1) \underline{A} Any lien claimed under this part may be transferred, by \underline{a} any person having an interest in the real property upon which the lien is imposed or the contract under which the lien is claimed, from such real property to other security by either:
 - (a) Depositing in the clerk's office a sum of money; r or
- (b) Filing in the clerk's office a bond executed as surety by a surety insurer licensed to do business in this state. $_{7}$
 - (2) The security must either to be in an amount equal: to
 - (a) The amount demanded in the such claim of lien; plus
- (b) Interest on the claim thereon at the legal rate for 3 years, plus \$1,000 or 25 percent of the amount demanded in the claim of lien, whichever is greater, to apply on any attorney's fees and court costs that may be taxed in any proceeding to enforce the said lien.
- (3) The security Such deposit or bond shall be conditioned to pay any judgment or decree that which may be rendered for the satisfaction of the lien for which such claim of lien was

recorded.

(4) A Upon making such deposit or filing such bond, the clerk who receives other security for a lien:

- (a) Shall make and record a certificate showing the transfer of the lien from the real property to the security. The clerk and shall serve mail a copy of the certificate and a copy of the bond, if the lien was transferred to a bond, on thereof by registered or certified mail to the lienor named in the claim of lien so transferred, at the address stated in the claim therein. When Upon filing the certificate of transfer is recorded, the real property is shall thereupon be released from the lien claimed, and the such lien is shall be transferred to the other said security.
- (b) May collect a service charge of no more than \$20 for making and serving the certificate. The clerk may collect an additional charge of no more than \$10 for each additional lien transferred to the security. The clerk shall receive the statutory service charges as prescribed in s. 28.24 for recording the certificate and approving the bond.
- (5) In the absence of allegations of privity between the lienor and the owner, and subject to any order of the court increasing the amount required for the lien transfer deposit or bond, no other judgment or decree to pay money may be entered by the court against the owner. The clerk shall be entitled to a service charge for making and serving the certificate, in the amount of up to \$20. If the transaction involves the transfer of multiple liens, an additional charge of up to \$10 for each additional lien shall be charged. For recording the certificate and approving the bond, the clerk shall receive her or his usual

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statutory service charges as prescribed in s. 28.24. Any number of liens may be transferred to one such security.

(6) (2) Any excess of the security over the aggregate amount of any judgments or decrees rendered plus costs actually taxed shall be repaid to the party filing the same or her or his successor in interest. Any deposit of money shall be considered as paid into court and <u>is</u> shall be subject to the provisions of law relative to payments of money into court and the disposition of same.

(7) Any party having an interest in such security or the property from which the lien was transferred may at any time, and any number of times, file a complaint in chancery in the circuit court of the county where such security is deposited, or file a motion in a pending action to enforce a lien, for an order to require additional security, reduction of security, change or substitution of sureties, payment of discharge thereof, or any other matter affecting the said security. If the court finds that the amount of the deposit or bond in excess of the amount claimed in the claim of lien is insufficient to pay the lienor's attorney's fees and court costs incurred in the action to enforce the lien, the court must increase the amount of the cash deposit or lien transfer bond. Nothing in This section does not shall be construed to vest exclusive jurisdiction in the circuit courts over transfer bond claims for nonpayment of an amount within the monetary jurisdiction of the county courts.

(8) (4) If a proceeding to enforce a transferred lien is not commenced within the time specified in s. 713.22 or if it appears that the transferred lien has been satisfied of record,

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the clerk shall return the said security upon request of the person depositing or filing the same, or the insurer. If a proceeding to enforce a lien is commenced in a court of competent jurisdiction within the time specified in s. 713.22 and, during such proceeding, the lien is transferred pursuant to this section or s. 713.13(1)(e), an action commenced within 1 year after the transfer, unless otherwise shortened by operation of law, in the same county or circuit court to recover against the security shall be deemed to have been brought as of the date of filing the action to enforce the lien, and the court has shall have jurisdiction over the action.

Section 13. This act shall take effect October 1, 2010.