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A bill to be entitled
 An act relating to construction defects; amending s.
 558.001, F.S.; revising legislative intent; amending
 s. 558.002, F.S.; deleting definitions; repealing s.
 558.003, F.S., relating to compliance with the chapter
 before an action may be filed; repealing s. 558.004,
 F.S., relating to notice and opportunity to repair;
 creating s. 558.0045, F.S.; requiring parties to a
 construction defect claim to participate in mandatory
 nonbinding arbitration within a specified time;
 authorizing any party to agree that the arbitration is
 binding; providing award requirements; providing
 applicability; repealing s. 558.005, F.S., relating to
 contract provisions and application; providing an
 effective date.

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

Section 1. Section 558.001, Florida Statutes, is amended
 to read:

558.001 Legislative findings and declaration.—The
 Legislature finds that it is beneficial to have an effective and
cost efficient ~~alternative~~ method to resolve construction
 disputes that would reduce ~~the need for~~ litigation as well as
 protect the rights of property owners. An effective alternative

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

HB 911

2019

26 | dispute resolution mechanism in ~~certain~~ construction defect
27 | matters should involve the claimant, filing a notice of claim
28 | ~~with~~ the contractor, subcontractor, supplier, or design
29 | professional that the claimant asserts is responsible for the
30 | defect, and should provide the claimant, contractor,
31 | subcontractor, supplier, or design professional, and the insurer
32 | of the claimant, contractor, subcontractor, supplier, or design
33 | professional, through meaningful arbitration of claims ~~with an~~
34 | ~~opportunity to resolve the claim through confidential settlement~~
35 | ~~negotiations~~ without resort to extended litigation ~~further legal~~
36 | ~~process.~~ It is the intent of the Legislature to promote
37 | efficient resolution of claims and reduce litigation, and
38 | nothing in this chapter precludes resolution of claims through
39 | settlement negotiations.

40 | Section 2. Subsections (2), (4), and (9) of section
41 | 558.002, Florida Statutes, are amended to read:

42 | 558.002 Definitions.—As used in this chapter, the term:

43 | ~~(2) "Association" has the same meaning as in s.~~

44 | ~~718.103(2), s. 719.103(2), s. 720.301(9), or s. 723.075.~~

45 | ~~(4) "Completion of a building or improvement" means~~
46 | ~~issuance of a certificate of occupancy, whether temporary or~~
47 | ~~otherwise, that allows for occupancy or use of the entire~~
48 | ~~building or improvement, or an equivalent authorization issued~~
49 | ~~by the governmental body having jurisdiction. In jurisdictions~~
50 | ~~where no certificate of occupancy or equivalent authorization is~~

51 ~~issued, the term means substantial completion of construction,~~
52 ~~finishing, and equipping of the building or improvement~~
53 ~~according to the plans and specifications.~~

54 ~~(9) "Service" means delivery by certified mail with a~~
55 ~~United States Postal Service record of evidence of delivery or~~
56 ~~attempted delivery to the last known address of the addressee,~~
57 ~~by hand delivery, or by delivery by any courier with written~~
58 ~~evidence of delivery.~~

59 Section 3. Section 558.003, Florida Statutes, is repealed.

60 Section 4. Section 558.004, Florida Statutes, is repealed.

61 Section 5. Section 558.0045, Florida Statutes, is created
62 to read:

63 558.0045 Construction defect litigation; special
64 requirements.—

65 (1) This section applies to all actions involving
66 construction defects, including civil suits and arbitrations.

67 (2) In any action involving construction defects, the
68 parties shall participate in mandatory nonbinding arbitration,
69 conducted in accordance with chapter 682. Mandatory arbitration
70 shall occur after all parties have been joined in the action,
71 but no later than 180 days after the civil suit is filed.
72 However, if a party is joined in the action after 180 days, such
73 party must still participate in mandatory nonbinding arbitration
74 as set forth in this section.

75 (3) If the arbitrator finds in favor of a claimant, the

76 arbitrator shall include a detailed description of the nature of
77 the defect and the monetary amount awarded against each party
78 separately, including all of the following:

79 (a) The monetary amount of the award attributable to
80 repairing or replacing the party's defective work.

81 (b) The monetary amount of the award attributable to
82 repairing or replacing other nondefective property damaged by
83 the party's defective work.

84 (c) The monetary amount of the award attributable to other
85 damages being awarded against the party.

86 (4) Any party to the arbitration proceeding may agree in
87 writing, either before or up to 30 days after the arbitration
88 award is entered, to be bound by the arbitration award. Any
89 party who does not agree to be bound by the arbitration award
90 may proceed with the civil action on the unresolved portions of
91 the claim.

92 (5) For any party who does not agree to be bound by the
93 arbitration award and who proceeds to trial in the action, the
94 jury verdict and final judgment shall include a detailed
95 description of the nature of the defect and the monetary amount
96 awarded against each party separately, including all of the
97 following:

98 (a) The monetary amount of the award attributable to
99 repairing or replacing the party's defective work.

100 (b) The monetary amount of the award attributable to

101 repairing or replacing other nondefective property damaged by
 102 the party's defective work.

103 (c) The monetary amount of the award attributable to other
 104 damages being awarded against the party.

105 (6) This section does not preclude a partial settlement or
 106 compromise of the claim as agreed to by the parties, either
 107 before or after the arbitration.

108 (7) This section does not affect the rights and duties of
 109 insureds and insurance carriers under their policies. However,
 110 any defense, with or without a reservation of rights, provided
 111 by an insurer of a party, including any party asserting
 112 additional insured status, in any actions subject to this
 113 chapter is limited to the named insured's scope of work.

114 Section 6. Section 558.005, Florida Statutes, is repealed.

115 Section 7. This act shall take effect July 1, 2019.