By the Committee on Judiciary; and Senator Albritton

A bill to be entitled

590-03112-20

1

2020868c1

2 An act relating to liens and bonds; amending s. 3 255.05, F.S.; requiring that a copy of a notice of 4 nonpayment be served on the surety; prohibiting a 5 person from requiring a claimant to furnish a certain 6 waiver in exchange for or to induce certain payments; 7 providing that specified provisions in certain waivers 8 are unenforceable; providing an exception; amending s. 9 337.18, F.S.; providing that certain waivers apply to 10 certain contracts; amending s. 713.01, F.S.; revising 11 definitions; amending s. 713.09, F.S.; authorizing a 12 lienor to record one claim of lien for multiple direct 13 contracts; amending s. 713.10, F.S.; providing that the interest of a lessor is not subject to liens for 14 15 certain improvements made by certain lessees who are mobile home owners; amending s. 713.13, F.S.; revising 16 17 information to be included in a notice of 18 commencement; amending s. 713.132, F.S.; revising 19 requirements for a notice of termination; amending s. 20 713.18, F.S.; specifying the manner in which documents 21 relating to certain construction bonds must be served; 22 providing that service of a document may be by hand 23 delivery; providing that service of a document is 24 effective on the date of mailing or shipping; making 25 technical changes; amending ss. 713.20 and 713.235, 2.6 F.S.; prohibiting a person from requiring a lienor to 27 furnish a certain waiver or release in exchange for or 28 to induce certain payments; providing that specified 29 provisions in certain waivers or releases are

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| 30 | unenforceable; providing an exception; amending s.             |
| 31 | 713.23, F.S.; requiring that a copy of a notice of             |
| 32 | nonpayment be served on the surety; amending s.                |
| 33 | 713.29, F.S.; authorizing attorney fees in actions to          |
| 34 | enforce a lien that has been transferred to security;          |
| 35 | providing an effective date.                                   |
| 36 |  |
| 37 | Be It Enacted by the Legislature of the State of Florida:      |
| 38 |  |
| 39 | Section 1. Paragraphs (a), (d), and (f) of subsection (2)      |
| 40 | of section 255.05, Florida Statutes, are amended to read:      |
| 41 | 255.05 Bond of contractor constructing public buildings;       |
| 42 | form; action by claimants                                      |
| 43 | (2)(a)1. If a claimant is no longer furnishing labor,          |
| 44 | services, or materials on a project, a contractor or the       |
| 45 | contractor's agent or attorney may elect to shorten the time   |
| 46 | within which an action to enforce any claim against a payment  |
| 47 | bond must be commenced by recording in the clerk's office a    |
| 48 | notice in substantially the following form:                    |
| 49 |  |
| 50 | NOTICE OF CONTEST OF CLAIM                                     |
| 51 | AGAINST PAYMENT BOND   |
| 52 |  |
| 53 | To: (Name and address of claimant)                             |
| 54 |  |
| 55 | You are notified that the undersigned contests your notice     |
| 56 | of nonpayment, dated,, and served on the                       |
| 57 | undersigned on,, and that the time within                      |
| 58 | which you may file suit to enforce your claim is limited to 60 |

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590-03112-20 2020868c1 59 days after the date of service of this notice. 60 61 DATED on ..... . . . . . . . . . 62 63 Signed: ... (Contractor or Attorney) ... 64 65 The claim of a claimant upon whom such notice is served and who 66 fails to institute a suit to enforce his or her claim against the payment bond within 60 days after service of such notice is 67 68 extinguished automatically. The contractor or the contractor's 69 attorney shall serve a copy of the notice of contest on to the 70 claimant at the address shown in the notice of nonpayment or 71 most recent amendment thereto and shall certify to such service 72 on the face of the notice and record the notice. 73 2. A claimant, except a laborer, who is not in privity with 74 the contractor shall, before commencing or not later than 45 75 days after commencing to furnish labor, services, or materials 76 for the prosecution of the work, serve the contractor with a 77 written notice that he or she intends to look to the bond for 78 protection. A claimant who is not in privity with the contractor 79 and who has not received payment for furnishing his or her 80 labor, services, or materials shall serve a written notice of 81 nonpayment on the contractor and a copy of the notice on the 82 surety. The notice of nonpayment shall be under oath and served 83 during the progress of the work or thereafter but may not be served earlier than 45 days after the first furnishing of labor, 84 85 services, or materials by the claimant or later than 90 days 86 after the final furnishing of the labor, services, or materials 87 by the claimant or, with respect to rental equipment, later than

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| 88  | 90 days after the date that the rental equipment was last on the      |
| 89  | job site available for use. Any notice of nonpayment served by a      |
| 90  | claimant who is not in privity with the contractor which              |
| 91  | includes sums for retainage must specify the portion of the           |
| 92  | amount claimed for retainage. An action for the labor, services,      |
| 93  | or materials may not be instituted against the contractor or the      |
| 94  | surety unless the notice to the contractor and notice of              |
| 95  | nonpayment have been served, if required by this section.             |
| 96  | Notices required or permitted under this section must be served       |
| 97  | in accordance with s. 713.18. A claimant may not waive in             |
| 98  | advance his or her right to bring an action under the bond            |
| 99  | against the surety. In any action brought to enforce a claim          |
| 100 | against a payment bond under this section, the prevailing party       |
| 101 | is entitled to recover a reasonable fee for the services of his       |
| 102 | or her attorney for trial and appeal or for arbitration, in an        |
| 103 | amount to be determined by the court, which fee must be taxed as      |
| 104 | part of the prevailing party's costs, as allowed in equitable         |
| 105 | actions. The time periods for service of a notice of nonpayment       |
| 106 | or for bringing an action against a contractor or a surety <u>are</u> |
| 107 | shall be measured from the last day of furnishing labor,              |
| 108 | services, or materials by the claimant and may not be measured        |
| 109 | by other standards, such as the issuance of a certificate of          |
| 110 | occupancy or the issuance of a certificate of substantial             |
| 111 | completion. The negligent inclusion or omission of any                |
| 112 | information in the notice of nonpayment that has not prejudiced       |
| 113 | the contractor or surety does not constitute a default that           |
| 114 | operates to defeat an otherwise valid bond claim. A claimant who      |
| 115 | serves a fraudulent notice of nonpayment forfeits his or her          |
| 116 | rights under the bond. A notice of nonpayment is fraudulent if        |
|     |   |

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| 117 | the claimant has willfully exaggerated the amount unpaid,        |
| 118 | willfully included a claim for work not performed or materials   |
| 119 | not furnished for the subject improvement, or prepared the       |
| 120 | notice with such willful and gross negligence as to amount to a  |
| 121 | willful exaggeration. However, a minor mistake or error in a     |
| 122 | notice of nonpayment, or a good faith dispute as to the amount   |
| 123 | unpaid, does not constitute a willful exaggeration that operates |
| 124 | to defeat an otherwise valid claim against the bond. The service |
| 125 | of a fraudulent notice of nonpayment is a complete defense to    |
| 126 | the claimant's claim against the bond. The notice of nonpayment  |
| 127 | under this subparagraph must include the following information,  |
| 128 | current as of the date of the notice, and must be in             |
| 129 | substantially the following form:                                |
| 130 |  |
| 131 | NOTICE OF NONPAYMENT   |
| 132 |  |
| 133 | To:(name of contractor and address)                              |
| 134 |  |
| 135 | (name of surety and address)                                     |
| 136 |  |
| 137 | The undersigned claimant notifies you that:                      |
| 138 | 1. Claimant has furnished(describe labor, services, or           |
| 139 | materials) for the improvement of the real property              |
| 140 | identified as (property description) The corresponding           |
| 141 | amount unpaid to date is \$, of which \$ is unpaid               |
| 142 | retainage.   |
| 143 | 2. Claimant has been paid to date the amount of $\$$ for         |
| 144 | previously furnishing(describe labor, services, or               |
| 145 | materials) for this improvement.                                 |

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| 146 | 3. Claimant expects to furnish(describe labor,                             |
| 147 | services, or materials) for this improvement in the future                 |
| 148 | (if known), and the corresponding amount expected to become due            |
| 149 | is \$ (if known).  |
| 150 |  |
| 151 | I declare that I have read the foregoing Notice of Nonpayment              |
| 152 | and that the facts stated in it are true to the best of my                 |
| 153 | knowledge and belief.  |
| 154 |  |
| 155 | DATED on,  |
| 156 |  |
| 157 | (signature and address of claimant)  |
| 158 |  |
| 159 | STATE OF FLORIDA   |
| 160 | COUNTY OF  |
| 161 |  |
| 162 | The foregoing instrument was sworn to (or affirmed) and                    |
| 163 | subscribed before me by means of $\Box$ physical presence or $\Box$ online |
| 164 | notarization this day of,(year), by(name of                                |
| 165 | signatory)   |
| 166 |  |
| 167 | (Signature of Notary Public - State of Florida)                            |
| 168 | (Print, Type, or Stamp Commissioned Name of Notary                         |
| 169 | Public)  |
| 170 |  |
| 171 | Personally Known OR Produced Identification                                |
| 172 |  |
| 173 | Type of Identification Produced  |
| 174 |  |

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590-03112-20 2020868c1 175 (d) A person may not require a claimant to furnish a waiver 176 that is different from the forms in paragraphs (b) and (c) in 177 exchange for, or to induce payment of, a progress payment or 178 final payment, unless the claimant has entered into a direct 179 contract that requires the claimant to furnish a waiver that is 180 different from the forms in paragraphs (b) and (c). 181 (f) Any provisions in a waiver that are is not related to 182 the waiver of right to claim against a payment bond as provided in this subsection are unenforceable, unless the claimant has 183 otherwise agreed to those provisions in the claimant's direct 184 185 contract substantially similar to the forms in this subsection 186 is enforceable in accordance with its terms. 187 Section 2. Paragraph (c) of subsection (1) of section 337.18, Florida Statutes, is amended to read: 188 189 337.18 Surety bonds for construction or maintenance 190 contracts; requirement with respect to contract award; bond 191 requirements; defaults; damage assessments.-192 (1)193 (c) A claimant, except a laborer, who is not in privity 194 with the contractor shall, before commencing or not later than 195 90 days after commencing to furnish labor, materials, or 196 supplies for the prosecution of the work, furnish the contractor 197 with a notice that he or she intends to look to the bond for 198 protection. A claimant who is not in privity with the contractor and who has not received payment for his or her labor, 199 200 materials, or supplies shall deliver to the contractor and to 201 the surety written notice of the performance of the labor or 202 delivery of the materials or supplies and of the nonpayment. The 203 notice of nonpayment may be served at any time during the

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| 204 | progress of the work or thereafter but not before 45 days after  |
| 205 | the first furnishing of labor, services, or materials, and not   |
| 206 | later than 90 days after the final furnishing of the labor,      |
| 207 | services, or materials by the claimant or, with respect to       |
| 208 | rental equipment, not later than 90 days after the date that the |
| 209 | rental equipment was last on the job site available for use. An  |
| 210 | action by a claimant, except a laborer, who is not in privity    |
| 211 | with the contractor for the labor, materials, or supplies may    |
| 212 | not be instituted against the contractor or the surety unless    |
| 213 | both notices have been given. Notices required or permitted      |
| 214 | under this section may be served in any manner provided in s.    |
| 215 | 713.18, and provisions for the waiver of claims against a        |
| 216 | payment bond contained in s. 255.05(2) apply to all contracts    |
| 217 | under this section.  |
| 218 | Section 3. Subsections (8) and (26) of section 713.01,           |
| 219 | Florida Statutes, are amended to read:                           |
| 220 | 713.01 DefinitionsAs used in this part, the term:                |
| 221 | (8) "Contractor" means a person other than a materialman or      |
| 222 | laborer who enters into a contract with the owner of real        |
| 223 | property for improving it, or who takes over from a contractor   |
| 224 | as so defined the entire remaining work under such contract. The |
| 225 | term "contractor" includes an architect, landscape architect, or |
| 226 | engineer who improves real property pursuant to a design-build   |
| 227 | contract authorized by s. 489.103(16). The term "contractor"     |
| 228 | also includes a licensed general contractor or building          |
| 229 | contractor, as those terms are defined in s. 489.105(3)(a) and   |
| 230 | (b), who provides construction management services, which        |
| 231 | include responsibility for scheduling and coordination in both   |
| 232 | preconstruction and construction phases and for the successful,  |

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590-03112-20 2020868c1 233 timely, and economical completion of the construction project, 234 or who provides program management services, which include 235 responsibility for schedule control, cost control, and 236 coordination in providing or procuring planning, design, and 237 construction. 238 (26) "Real property" means the land that is improved and 239 the improvements thereon, including fixtures, except any such 240 property owned by the state or any county, municipality, school board, or governmental agency, commission, or political 241 242 subdivision, provided, however, that a private leasehold 243 interest in such government-owned property which is improved and 244 the leasehold improvements thereon shall be considered real 245 property for purposes of this part. 246 Section 4. Section 713.09, Florida Statutes, is amended to 247 read: 248 713.09 Single claim of lien.-A lienor may is required to 249 record only one claim of lien covering his or her entire demand 250 against the real property when the amount demanded is for labor 251 or services or material furnished for more than one improvement 252 under the same direct contract or multiple direct contracts. The 253 single claim of lien is sufficient even though the improvement 254 is for one or more improvements located on separate lots, 255 parcels, or tracts of land. If materials to be used on one or 256 more improvements on separate lots, parcels, or tracts of land 257 under one direct contract are delivered by a lienor to a place 258 designated by the person with whom the materialman contracted, 259 other than the site of the improvement, the delivery to the 260 place designated is prima facie evidence of delivery to the site 261 of the improvement and incorporation in the improvement. The

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| 262 | single claim of lien may be limited to a part of multiple lots,                     |
| 263 | parcels, or tracts of land and their improvements or may cover                      |
| 264 | all of the lots, parcels, or tracts of land and improvements. $\underline{\sf If}$  |
| 265 | <u>a</u> <del>In each</del> claim of lien under this section <u>is for multiple</u> |
| 266 | direct contracts, the owner under the direct contracts contract                     |
| 267 | must be the same person for all lots, parcels, or tracts of land                    |
| 268 | against which a single claim of lien is recorded.                                   |
| 269 | Section 5. Paragraph (b) of subsection (2) of section                               |
| 270 | 713.10, Florida Statutes, is amended, and subsection (4) is                         |
| 271 | added to that section, to read:   |
| 272 | 713.10 Extent of liens  |
| 273 | (2)   |
| 274 | (b) The interest of the lessor is not subject to liens for                          |
| 275 | improvements made by the lessee when:   |
| 276 | 1. The lease, or a short form or a memorandum of the lease                          |
| 277 | that contains the specific language in the lease prohibiting                        |
| 278 | such liability, is recorded in the official records of the                          |
| 279 | county where the premises are located before the recording of a                     |
| 280 | notice of commencement for improvements to the premises and the                     |
| 281 | terms of the lease expressly prohibit such liability; or                            |
| 282 | 2. The terms of the lease expressly prohibit such                                   |
| 283 | liability, and a notice advising that leases for the rental of                      |
| 284 | premises on a parcel of land prohibit such liability has been                       |
| 285 | recorded in the official records of the county in which the                         |
| 286 | parcel of land is located before the recording of a notice of                       |
| 287 | commencement for improvements to the premises, and the notice                       |
| 288 | includes the following:   |
| 289 | a. The name of the lessor.  |
| 290 | b. The legal description of the parcel of land to which the                         |

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590-03112-20 2020868c1 notice applies. c. The specific language contained in the various leases prohibiting such liability. d. A statement that all or a majority of the leases entered into for premises on the parcel of land expressly prohibit such liability. 3. The lessee is a mobile home owner who is leasing a mobile home lot in a mobile home park from the lessor. A notice that is consistent with subparagraph 2. effectively prohibits liens for improvements made by a lessee even if other leases for premises on the parcel do not expressly prohibit liens or if provisions of each lease restricting the application of liens are not identical. (4) The interest of the lessor is not subject to liens for improvements made by the lessee when the lessee is a mobile home owner who is leasing a mobile home lot in a mobile home park

308 from the lessor.

309Section 6. Paragraphs (a) and (d) of subsection (1) of310section 713.13, Florida Statutes, are amended to read:

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713.13 Notice of commencement.-

312 (1) (a) Except for an improvement that is exempt under 313 pursuant to s. 713.02(5), an owner or the owner's authorized 314 agent before actually commencing to improve any real property, 315 or recommencing completion of any improvement after default or 316 abandonment, whether or not a project has a payment bond 317 complying with s. 713.23, shall record a notice of commencement 318 in the clerk's office and forthwith post either a certified copy 319 thereof or a notarized statement that the notice of commencement

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590-03112-20 2020868c1 320 has been filed for recording along with a copy thereof. The 321 notice of commencement shall contain the following information: 322 1. A description sufficient for identification of the real 323 property to be improved. The description should include the 324 legal description of the property and also should include the 325 street address and tax folio number of the property if available 326 or, if there is no street address available, such additional 327 information as will describe the physical location of the real 328 property to be improved. 329 2. A general description of the improvement. 330 3. The name and address of the owner, the owner's interest 331 in the site of the improvement, and the name and address of the 332 fee simple titleholder, if other than such owner. 333 4. The name and address of the lessee, if the A lessee who 334 contracts for the improvements as  $\frac{1}{100}$  an owner as defined in s. 335 713.01 under s. 713.01(23) and must be listed as the owner 336 together with a statement that the ownership interest is a 337 leasehold interest. 338 5.4. The name and address of the contractor. 339 6.5. The name and address of the surety on the payment bond 340 under s. 713.23, if any, and the amount of such bond. 341 7.6. The name and address of any person making a loan for 342 the construction of the improvements. 343 8.7. The name and address within the state of a person 344 other than himself or herself who may be designated by the owner 345 as the person upon whom notices or other documents may be served 346 under this part; and service upon the person so designated 347 constitutes service upon the owner. 348 (d) A notice of commencement must be in substantially the

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|-----|---|
| 349 | following form:   |
| 350 |   |
| 351 | Permit No Tax Folio No  |
| 352 | NOTICE OF COMMENCEMENT  |
| 353 | State of  |
| 354 | County of   |
| 355 |   |
| 356 | The undersigned hereby gives notice that improvement will be    |
| 357 | made to certain real property, and in accordance with Chapter   |
| 358 | 713, Florida Statutes, the following information is provided in |
| 359 | this Notice of Commencement.                                    |
| 360 | 1. Description of property:(legal description of the            |
| 361 | property, and street address if available)                      |
| 362 | 2. General description of improvement:                          |
| 363 | 3.a. Owner:name and address                                     |
| 364 | b. Owner's phone number: Owner information or Lessee            |
| 365 | information if the Lessee contracted for the improvement:       |
| 366 | a. Name and address:  |
| 367 | b. Interest in property:  |
| 368 | c. Name and address of fee simple titleholder (if different     |
| 369 | from Owner listed above):                                       |
| 370 | 4.a. Lessee, if the lessee contracted for the improvements:     |
| 371 | (name and address)  |
| 372 | b. Lessee's phone number: a.                                    |
| 373 | 5.a. Contractor:(name and address)                              |
| 374 | b. Contractor's phone number:                                   |
| 375 | 6.5. Surety (if applicable, a copy of the payment bond is       |
| 376 | attached):  |
| 377 | a. Name and address:  |

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| 378 | b. Phone number:  |
| 379 | c. Amount of bond: \$   |
| 380 | 7.a. <del>6.a.</del> Lender:(name and address)                                    |
| 381 | b. Lender's phone number:   |
| 382 | 8.7. Persons within the State of Florida designated by                            |
| 383 | Owner upon whom notices or other documents may be served as                       |
| 384 | provided by Section <u>713.13(1)(a)8.</u> <del>713.13(1)(a)7.</del> , Florida     |
| 385 | Statutes:   |
| 386 | a. Name and address:  |
| 387 | b. Phone numbers of designated persons:   |
| 388 | 9.a. <del>8.a.</del> In addition to himself or herself, Owner                     |
| 389 | designates of to receive a copy of the  |
| 390 | Lienor's Notice as provided in Section 713.13(1)(b), Florida                      |
| 391 | Statutes.   |
| 392 | b. Phone number of person or entity designated by                                 |
| 393 | owner:  |
| 394 | 10.9. Expiration date of notice of commencement (the                              |
| 395 | expiration date will be 1 year <u>after</u> <del>from</del> the date of recording |
| 396 | unless a different date is specified)   |
| 397 |   |
| 398 | WARNING TO OWNER: ANY PAYMENTS MADE BY THE OWNER AFTER THE                        |
| 399 | EXPIRATION OF THE NOTICE OF COMMENCEMENT ARE CONSIDERED IMPROPER                  |
| 400 | PAYMENTS UNDER CHAPTER 713, PART I, SECTION 713.13, FLORIDA                       |
| 401 | STATUTES, AND CAN RESULT IN YOUR PAYING TWICE FOR IMPROVEMENTS                    |
| 402 | TO YOUR PROPERTY. A NOTICE OF COMMENCEMENT MUST BE RECORDED AND                   |
| 403 | POSTED ON THE JOB SITE BEFORE THE FIRST INSPECTION. IF YOU                        |
| 404 | INTEND TO OBTAIN FINANCING, CONSULT WITH YOUR LENDER OR AN                        |
| 405 | ATTORNEY BEFORE COMMENCING WORK OR RECORDING YOUR NOTICE OF                       |
| 406 | COMMENCEMENT.   |
|     |   |

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590-03112-20 2020868c1 407 408 ... (Signature of Owner or Lessee, or Owner's or Lessee's 409 Authorized Officer/Director/Partner/Manager)... 410 411 ... (Signatory's Title/Office)... 412 413 STATE OF FLORIDA 414 COUNTY OF ..... 415 416 The foregoing instrument was acknowledged before me by means of 417  $\Box$  physical presence or  $\Box$  online notarization, this .... day of 418 ...., ... (year)..., by ... (name of person)... as ... (type of 419 authority, . . . e.g. officer, trustee, attorney in fact)... for 420 ... (name of party on behalf of whom instrument was executed) .... 421 422 ... (Signature of Notary Public - State of Florida) ... 423 424 ... (Print, Type, or Stamp Commissioned Name of Notary Public)... 425 426 Personally Known .... OR Produced Identification .... 427 428 Type of Identification Produced..... 429 Section 7. Subsections (1), (3), and (4) of section 430 713.132, Florida Statutes, are amended to read: 713.132 Notice of termination.-431 432 (1) An owner may terminate the period of effectiveness of a 433 notice of commencement by executing, swearing to, and recording 434 a notice of termination that contains: 435 (a) The same information as the notice of commencement;

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| 436 | (b) The official records' <del>recording office document book</del>          |
| 437 | and page reference numbers and recording date affixed by the                 |
| 438 | recording office on <del>of</del> the recorded notice of commencement;       |
| 439 | (c) A statement of the date as of which the notice of                        |
| 440 | commencement is terminated, which date may not be earlier than               |
| 441 | 30 days after the notice of termination is recorded;                         |
| 442 | (d) A statement specifying that the notice applies to all                    |
| 443 | the real property subject to the notice of commencement or                   |
| 444 | specifying the portion of such real property to which it                     |
| 445 | applies;   |
| 446 | (e) A statement that all lienors have been paid in full;                     |
| 447 | and  |
| 448 | (f) A statement that the owner has, before recording the                     |
| 449 | notice of termination, served a copy of the notice of                        |
| 450 | termination <del>on the contractor and</del> on each lienor who has a        |
| 451 | direct contract with the owner or who has <u>timely</u> served a notice      |
| 452 | to owner, and a statement that the owner will serve a copy of                |
| 453 | the notice of termination on each lienor who timely serves a                 |
| 454 | notice to owner after the notice of termination has been                     |
| 455 | recorded. The owner is not required to serve a copy of the                   |
| 456 | notice of termination on any lienor who has executed a waiver                |
| 457 | and release of lien upon final payment in accordance with s.                 |
| 458 | 713.20.  |
| 459 | (3) An owner may <del>not</del> record a notice of termination <u>at any</u> |
| 460 | time after except after completion of construction, or after                 |
| 461 | construction ceases before completion and all lienors have been              |
| 462 | paid in full or pro rata in accordance with s. 713.06(4).                    |
| 463 | (4) If an owner or a contractor, by fraud or collusion,                      |
| 464 | knowingly makes any fraudulent statement or affidavit in a                   |

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| 465 | notice of termination or any accompanying affidavit, the owner           |
| 466 | and the contractor, or either of them, <del>as the case may be,</del> is |
| 467 | liable to any lienor who suffers damages as a result of the              |
| 468 | filing of the fraudulent notice of termination, $\cdot$ and any such     |
| 469 | lienor has a right of action for damages <del>occasioned thereby</del> . |
| 470 | (5) (4) A notice of termination must be served before                    |
| 471 | recording on each lienor who has a direct contract with the              |
| 472 | owner and on each lienor who has timely and properly served a            |
| 473 | notice to owner in accordance with this part before the                  |
| 474 | recording of the notice of termination. A notice of termination          |
| 475 | must be recorded in the official records of the county in which          |
| 476 | the project is located. If properly served before recording in           |
| 477 | accordance with this subsection, the notice of termination               |
| 478 | terminates the period of effectiveness of the notice of                  |
| 479 | commencement 30 days after the notice of termination is recorded         |
| 480 | in the official records is effective to terminate the notice of          |
| 481 | commencement at the later of 30 days after recording of the              |
| 482 | notice of termination or <u>a later</u> the date stated in the notice    |
| 483 | of termination as the date on which the notice of commencement           |
| 484 | is terminated. However, if a lienor, who began work under the            |
| 485 | notice of commencement before its termination, lacks a direct            |
| 486 | contract with the owner, and timely serves his or her notice to          |
| 487 | owner after the notice of termination has been recorded, the             |
| 488 | owner must serve a copy of the notice of termination upon such           |
| 489 | lienor, and the termination of the notice of commencement as to          |
| 490 | that lienor is effective 30 days after service of the notice of          |
| 491 | termination if the notice of termination has been served                 |
| 492 | pursuant to paragraph (1)(f) on the contractor and on each               |
| 493 | lienor who has a direct contract with the owner or who has               |
| I   |  |

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590-03112-20 2020868c1 494 served a notice to owner. 495 Section 8. Section 713.18, Florida Statutes, is amended to 496 read: 497 713.18 Manner of serving documents notices and other 498 instruments.-499 (1) Service of any document notices, claims of lien, 500 affidavits, assignments, and other instruments permitted or 501 required under this part, s. 255.05, or s. 337.18, or copies 502 thereof when so permitted or required, unless otherwise 503 specifically provided in this part, must be made by one of the 504 following methods: 505 (a) By hand actual delivery to the person to be served; if 506 a partnership, to one of the partners; if a corporation, to an 507 officer, director, managing agent, or business agent; or, if a 508 limited liability company, to a member or manager. 509 (b) By common carrier delivery service or by registered, 510 Global Express Guaranteed, or certified mail to the person to be 511 served, with postage or shipping paid by the sender and with 512 evidence of delivery, which may be in an electronic format. 513 (c) By posting on the site of the improvement if service as 514 provided by paragraph (a) or paragraph (b) cannot be 515 accomplished. 516 (2) Notwithstanding subsection (1), Service of a notice to 517 owner or a preliminary notice to contractor under s. 255.05, s. 337.18, s. 713.06, or s. 713.23 is effective as of the date of 518 mailing, and the requirements for service under this section 519 520 have been satisfied, if: 521 (a) The notice is mailed by registered, Global Express 522 Guaranteed, or certified mail, with postage prepaid, to the

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590-03112-20 2020868c1 523 person to be served at any of the addresses set forth in 524 subsection (3); 525 (b) The notice is mailed within 40 days after the date the 526 lienor first furnishes labor, services, or materials; and 527 (c)1. The person who served the notice maintains a 528 registered or certified mail log that shows the registered or 529 certified mail number issued by the United States Postal 530 Service, the name and address of the person served, and the date 531 stamp of the United States Postal Service confirming the date of 532 mailing; or 533 2. The person who served the notice maintains electronic 534 tracking records approved or generated by the United States 535 Postal Service containing the postal tracking number, the name 536 and address of the person served, and verification of the date of receipt by the United States Postal Service. 537 538 (3) (a) Notwithstanding subsection (1), service of a 539 document under an instrument pursuant to this section is 540 effective on the date of mailing or shipping, and the 541 requirements for service under this section have been satisfied, 542 the instrument if the document it: 543 1. Is sent, using one of the methods specified in paragraph (1)(b), to the last address shown in the notice of commencement 544 545 or any amendment thereto or, in the absence of a notice of 546 commencement, to the last address shown in the building permit 547 application, or to the last known address of the person to be 548 served; and 549

549 2. Is returned as being "refused," "moved, not 550 forwardable," or "unclaimed," or is otherwise not delivered or 551 deliverable through no fault of the person serving the <u>document</u>

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552 <del>item</del>.

553 (b) If the address shown in the notice of commencement or 554 any amendment to the notice of commencement, or, in the absence 555 of a notice of commencement, in the building permit application, 556 is incomplete for purposes of mailing or delivery, the person 557 serving the document item may complete the address and properly 558 format it according to United States Postal Service addressing 559 standards using information obtained from the property appraiser 560 or another public record without affecting the validity of 561 service under this section.

562 (4) A <u>document</u> notice served by a lienor on one owner or
563 one partner of a partnership owning the real property is deemed
564 notice to all owners and partners.

565 Section 9. Subsections (6) and (8) of section 713.20, 566 Florida Statutes, are amended to read:

567

713.20 Waiver or release of liens.-

(6) A person may not require a lienor to furnish a lien waiver or release of lien that is different from the forms in subsection (4) or subsection (5) <u>in exchange for, or to induce</u> <u>payment of, a progress payment or final payment, unless the</u> <u>lienor has entered into a direct contract that requires the</u> <u>lienor to furnish a waiver or release that is different from the</u> <u>forms in subsection (4) or subsection (5)</u>.

(8) <u>Any provisions in</u> a lien waiver or lien release that are is not related to the waiver or release of lien rights as provided in this section are unenforceable, unless the lienor has otherwise agreed to those provisions in the lienor's direct contract substantially similar to the forms in subsections (4) and (5) is enforceable in accordance with the terms of the lien

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590-03112-20 2020868c1 581 waiver or lien release. 582 Section 10. Paragraph (d) of subsection (1) of section 583 713.23, Florida Statutes, is amended to read: 584 713.23 Payment bond.-585 (1)586 (d) In addition, a lienor who has not received payment for 587 furnishing his or her labor, services, or materials must, as a 588 condition precedent to recovery under the bond, serve a written 589 notice of nonpayment on to the contractor and a copy of the 590 notice on the surety. The notice must be under oath and served 591 during the progress of the work or thereafter, but may not be 592 served later than 90 days after the final furnishing of labor, 593 services, or materials by the lienor, or, with respect to rental 594 equipment, later than 90 days after the date the rental 595 equipment was on the job site and available for use. A notice of 596 nonpayment that includes sums for retainage must specify the 597 portion of the amount claimed for retainage. The required notice 598 satisfies this condition precedent with respect to the payment 599 described in the notice of nonpayment, including unpaid finance 600 charges due under the lienor's contract, and with respect to any 601 other payments which become due to the lienor after the date of 602 the notice of nonpayment. The time period for serving a notice 603 of nonpayment is shall be measured from the last day of 604 furnishing labor, services, or materials by the lienor and may 605 not be measured by other standards, such as the issuance of a 606 certificate of occupancy or the issuance of a certificate of 607 substantial completion. The failure of a lienor to receive 608 retainage sums not in excess of 10 percent of the value of 609 labor, services, or materials furnished by the lienor is not

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| 610 | considered a nonpayment requiring the service of the notice      |
| 611 | provided under this paragraph. If the payment bond is not        |
| 612 | recorded before commencement of construction, the time period    |
| 613 | for the lienor to serve a notice of nonpayment may at the option |
| 614 | of the lienor be calculated from the date specified in this      |
| 615 | section or the date the lienor is served a copy of the bond.     |
| 616 | However, the limitation period for commencement of an action on  |
| 617 | the payment bond as established in paragraph (e) may not be      |
| 618 | expanded. The negligent inclusion or omission of any information |
| 619 | in the notice of nonpayment that has not prejudiced the          |
| 620 | contractor or surety does not constitute a default that operates |
| 621 | to defeat an otherwise valid bond claim. A lienor who serves a   |
| 622 | fraudulent notice of nonpayment forfeits his or her rights under |
| 623 | the bond. A notice of nonpayment is fraudulent if the lienor has |
| 624 | willfully exaggerated the amount unpaid, willfully included a    |
| 625 | claim for work not performed or materials not furnished for the  |
| 626 | subject improvement, or prepared the notice with such willful    |
| 627 | and gross negligence as to amount to a willful exaggeration.     |
| 628 | However, a minor mistake or error in a notice of nonpayment, or  |
| 629 | a good faith dispute as to the amount unpaid, does not           |
| 630 | constitute a willful exaggeration that operates to defeat an     |
| 631 | otherwise valid claim against the bond. The service of a         |
| 632 | fraudulent notice of nonpayment is a complete defense to the     |
| 633 | lienor's claim against the bond. The notice under this paragraph |
| 634 | must include the following information, current as of the date   |
| 635 | of the notice, and must be in substantially the following form:  |
| 636 |  |
| 637 | NOTICE OF NONPAYMENT   |
| 638 |  |
| Į   |  |

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639
     To ... (name of contractor and address) ...
640
641
     ... (name of surety and address) ...
642
643
     The undersigned lienor notifies you that:
644
          1. The lienor has furnished ... (describe labor, services,
645
     or materials)... for the improvement of the real property
646
     identified as ... (property description) .... The corresponding
     amount unpaid to date is $...., of which $.... is unpaid
647
648
     retainage.
649
          2. The lienor has been paid to date the amount of $.... for
650
     previously furnishing ... (describe labor, services, or
651
     materials)... for this improvement.
652
          3. The lienor expects to furnish ... (describe labor,
     services, or materials)... for this improvement in the future
653
654
     (if known), and the corresponding amount expected to become due
655
     is $.... (if known).
656
657
     I declare that I have read the foregoing Notice of Nonpayment
658
     and that the facts stated in it are true to the best of my
659
     knowledge and belief.
660
661
     662
663
                                ... (signature and address of lienor) ...
664
665
     STATE OF FLORIDA
     COUNTY OF.....
666
667
```

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|-----|---|
| 668 | The foregoing instrument was sworn to (or affirmed) and                               |
| 669 | subscribed before me by means of $\Box$ physical presence or $\Box$ online            |
| 670 | notarization, this day of,(year), by(name   |
| 671 | of signatory)   |
| 672 | (Signature of Notary Public - State of Florida)                                       |
| 673 | (Print, Type, or Stamp Commissioned Name of Notary                                    |
| 674 | Public)   |
| 675 |   |
| 676 | Personally Known OR Produced Identification   |
| 677 |   |
| 678 | Type of Identification Produced   |
| 679 | Section 11. Subsections (3) and (5) of section 713.235,                               |
| 680 | Florida Statutes, are amended to read:  |
| 681 | 713.235 Waivers of right to claim against payment bond;                               |
| 682 | forms   |
| 683 | (3) A person may not require a claimant to furnish a waiver                           |
| 684 | that is different from the forms in subsections (1) and (2) $\underline{\mathrm{in}}$ |
| 685 | exchange for, or to induce payment of, a progress payment or                          |
| 686 | final payment, unless the claimant has entered into a direct                          |
| 687 | contract that requires the claimant to furnish a waiver that is                       |
| 688 | different from the forms in subsections (1) and (2).                                  |
| 689 | (5) <u>Any provisions in</u> a waiver that <u>are <del>is</del> not related to</u>    |
| 690 | the waiver of a claim against the payment bond as provided in                         |
| 691 | this section are unenforceable, unless the claimant has                               |
| 692 | otherwise agreed to those provisions in the claimant's direct                         |
| 693 | contract substantially similar to the forms in this section is                        |
| 694 | enforceable in accordance with its terms.   |
| 695 | Section 12. Section 713.29, Florida Statutes, is amended to                           |
| 696 | read:   |
|     |   |

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|-----|--|
| 697 | 713.29 <u>Attorney</u> Attorney's fees.—In any action brought to |
| 698 | enforce a lien, including a lien that has been transferred to    |
| 699 | security, or to enforce a claim against a bond under this part,  |
| 700 | the prevailing party is entitled to recover a reasonable fee for |
| 701 | the services of her or his attorney for trial and appeal or for  |
| 702 | arbitration, in an amount to be determined by the court, which   |
| 703 | fee must be taxed as part of the prevailing party's costs, as    |
| 704 | allowed in equitable actions.                                    |
| 705 | Section 13. This act shall take effect July 1, 2020.             |

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