2021 HB 473

1 A bill to be entitled 2 An act relating to construction liens and bonds; 3 amending s. 255.05, F.S.; requiring that a copy of a notice of nonpayment be served on the surety; revising 4 5 the process for notarizing a notice of nonpayment; 6 prohibiting a person from requiring a claimant to 7 furnish a certain waiver in exchange for or to induce 8 certain payments; providing that specified provisions 9 in certain waivers are unenforceable; providing an exception; requiring service of documents to be made in a specified manner; amending s. 337.18, F.S.; providing that certain waivers apply to certain contracts; requiring service of documents to be made in a specified manner; amending s. 713.01, F.S.; revising definitions; amending s. 713.09, F.S.; 15 authorizing a lienor to record one claim of lien for 16 multiple direct contracts; amending s. 713.10, F.S.; 17 revising the extent of certain liens; amending s. 18 19 713.13, F.S.; revising information to be included in a 20 notice of commencement; specifying that payments made by an owner before the recording of a notice of 22 commencement are considered improper payments; 23 revising the process for notarizing a notice of commencement; amending s. 713.132, F.S.; revising 24 25 requirements for a notice of termination; amending s.

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

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713.18, F.S.; requiring service of documents relating to construction bonds to be made in a specified manner; making technical changes; amending s. 713.20, F.S.; prohibiting a person from requiring a lienor to furnish a certain waiver or release in exchange for or to induce certain payments; providing that specified provisions in certain waivers or releases are unenforceable; providing an exception; amending s. 713.21, F.S.; authorizing the full or partial release of a lien under specified conditions; amending s. 713.23, F.S.; requiring that a copy of a notice of nonpayment be served on the surety; revising the process for notarizing a notice of nonpayment under a payment bond; amending s. 713.235, F.S.; prohibiting a person from requiring a lienor to furnish a certain waiver or release in exchange for or to induce certain payments; providing that specified provisions in certain waivers or releases are unenforceable; providing an exception; amending s. 713.29, F.S.; authorizing attorney fees in actions to enforce a lien that has been transferred to security; providing an effective date.

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

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1	Section 1. Paragraphs (a), (d), and (f) of subsection (2)
52	of section 255.05, Florida Statutes, are amended, and subsection
3	(12) is added to that section, to read:
54	255.05 Bond of contractor constructing public buildings;
55	form; action by claimants.—
6	(2)(a)1. If a claimant is no longer furnishing labor,
57	services, or materials on a project, a contractor or the
8	contractor's agent or attorney may elect to shorten the time
9	within which an action to enforce any claim against a payment
0	bond must be commenced by recording in the clerk's office a
51	notice in substantially the following form:
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3	NOTICE OF CONTEST OF CLAIM
54	AGAINST PAYMENT BOND
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6	To:(Name and address of claimant)
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8	You are notified that the undersigned contests your notice
9	of nonpayment, dated,, and served on the
0	undersigned on,, and that the time within
1	which you may file suit to enforce your claim is limited to 60
2	days after the date of service of this notice.
3	
4	DATED on,
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Signed: ... (Contractor or Attorney) ...

The claim of a 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 is extinguished automatically. The contractor or the contractor's attorney shall serve a copy of the notice of contest on 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 the notice and record the notice.

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, serve 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 furnishing his or her labor, services, or materials shall serve a written notice of nonpayment on the contractor and a copy of the notice on the surety. The notice of nonpayment shall be under oath and served during the progress of the work or thereafter but may not be served earlier than 45 days after the first furnishing of labor, services, or materials by the claimant or later than 90 days after the final furnishing of the labor, services, or materials by the claimant or ental equipment,

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later than 90 days after the date that the rental equipment 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 action for the labor, services, or materials may not be instituted against the contractor or the surety unless the notice to the contractor and notice of nonpayment have been served, if required by this section. Notices required or permitted under this section must 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, 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 are shall be measured from the last day of furnishing labor, services, or materials by the claimant and may not be measured by other standards, such as the issuance of a certificate of occupancy or the issuance of a certificate of substantial completion. The negligent inclusion or omission of any information in the notice of nonpayment that has not prejudiced

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     the contractor or surety does not constitute a default that
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     operates to defeat an otherwise valid bond claim. A claimant who
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     serves a fraudulent notice of nonpayment forfeits his or her
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     rights under the bond. A notice of nonpayment is fraudulent if
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     the claimant has willfully exaggerated the amount unpaid,
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     willfully included a claim for work not performed or materials
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     not furnished for the subject improvement, or prepared the
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     notice with such willful and gross negligence as to amount to a
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     willful exaggeration. However, a minor mistake or error in a
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     notice of nonpayment, or a good faith dispute as to the amount
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     unpaid, does not constitute a willful exaggeration that operates
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     to defeat an otherwise valid claim against the bond. The service
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     of a fraudulent notice of nonpayment is a complete defense to
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     the claimant's claim against the bond. The notice of nonpayment
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     under this subparagraph must include the following information,
     current as of the date of the notice, and must be in
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     substantially the following form:
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                            NOTICE OF NONPAYMENT
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     To: ... (name of contractor and address) ...
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     ... (name of surety and address) ...
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     The undersigned claimant notifies you that:
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151	1. Claimant has furnished (describe labor, services, or
152	materials) for the improvement of the real property
153	identified as(property description) The corresponding
154	amount unpaid to date is \$, of which \$ is unpaid
155	retainage.
156	2. Claimant has been paid to date the amount of \$ for
157	previously furnishing (describe labor, services, or
158	materials) for this improvement.
159	3. Claimant expects to furnish(describe labor,
160	services, or materials) for this improvement in the future
161	(if known), and the corresponding amount expected to become due
162	is \$ (if known).
163	
164	I declare that I have read the foregoing Notice of Nonpayment
165	and that the facts stated in it are true to the best of my
166	knowledge and belief.
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168	DATED on,
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170	(signature and address of claimant)
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172	STATE OF FLORIDA
173	COUNTY OF
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175	The foregoing instrument was sworn to (or affirmed) and

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     subscribed before me by means of \square physical presence or sworn to
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     (or affirmed) by \square online notarization this .... day of ....,
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     ... (year) ..., by ... (name of signatory) ....
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          ... (Signature of Notary Public - State of Florida) ...
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           ... (Print, Type, or Stamp Commissioned Name of Notary
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     Public) ...
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     Personally Known ...... OR Produced Identification ......
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     Type of Identification Produced
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               A person may not require a claimant to furnish a
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     waiver that is different from the forms in paragraphs (b) and
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     (c) in exchange for, or to induce payment of, a progress payment
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     or final payment unless the claimant has entered into a direct
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     contract that requires the claimant to furnish a waiver that is
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     different from the forms in paragraphs (b) and (c).
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               Any provisions in a waiver which are that is not
           (f)
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     related to the waiver of a claim or a right to claim against a
     payment bond as provided in this subsection are unenforceable,
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     unless the claimant has otherwise agreed to those provisions in
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     the direct contract substantially similar to the forms in this
     subsection is enforceable in accordance with its terms.
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          (12) Unless otherwise provided in this section, service of
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any document must be made in accordance with s. 713.18.

Section 2. Paragraph (c) of subsection (1) of section 337.18, Florida Statutes, is amended, and subsection (6) is added to that section, to read:

337.18 Surety bonds for construction or maintenance contracts; requirement with respect to contract award; bond requirements; defaults; damage assessments.—

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A claimant, except a laborer, who is not in privity with the contractor shall, before commencing or not later than 90 days after commencing to furnish labor, materials, or supplies for the prosecution of the work, furnish the contractor with a 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, materials, or supplies 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 was last on the job site available for use. An

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action by a claimant, except a laborer, who is not in privity with the contractor for the labor, materials, or supplies may not be instituted against the contractor or the surety unless both notices have been given. Written notices required or permitted under this section must may be served in accordance with any manner provided in s. 713.18, and provisions for the waiver of a claim or a right to claim against a payment bond contained in s. 713.235 apply to all contracts under this section.

- (6) Unless otherwise provided in this section, service of any document must be made in accordance with s. 713.18.
- Section 3. Subsections (4), (8), and (26) of section 713.01, Florida Statutes, are amended to read:
 - 713.01 Definitions.—As used in this part, the term:
- (4) "Clerk's office" means the office of the clerk of the circuit court of the county, or another office serving as the county recorder as provided by law, in which the real property is located.
- (8) "Contractor" means a person other than a materialman or laborer who enters into a contract with the owner of real property for improving it, or who takes over from a contractor as so defined the entire remaining work under such contract. The term "contractor" includes an architect, landscape architect, or engineer who improves real property pursuant to a design-build contract authorized by s. 489.103(16). The term also includes a

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licensed general contractor or building contractor, as those terms are defined in s. 489.105(3)(a) and (b), respectively, who provides construction management services, which include responsibility for scheduling and coordination in both preconstruction and construction phases and for the successful, timely, and economical completion of the construction project, or who provides program management services, which include responsibility for schedule control, cost control, and coordination in providing or procuring planning, design, and construction.

(26) "Real property" means the land that is improved and the improvements thereon, including fixtures, except any such property owned by the state or any county, municipality, school board, or governmental agency, commission, or political subdivision. The term includes a private leasehold interest that is improved, and the improvements thereon, on land that is owned by the state or any county, municipality, school board, or governmental agency, commission, or political subdivision.

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

713.09 Single claim of lien.—A lienor <u>may</u> 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 or multiple direct contracts. The

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single claim of lien is sufficient even though the improvement is for one or more improvements located on separate lots, parcels, or tracts of land. If materials to be used on one or more improvements on separate lots, parcels, 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, or tracts of land and improvements. If a In each claim of lien under this section is for multiple direct contracts, the owner under the direct contracts contracts must be the same person for all lots, parcels, or tracts of land against which a single claim of lien is recorded.

Section 5. Paragraph (b) of subsection (2) of section 713.10, Florida Statutes, is amended, and subsection (4) is added to that section, to read:

713.10 Extent of liens.-

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- (b) The interest of the lessor is not subject to liens for improvements made by the lessee when:
- 1. The lease, or a short form or a memorandum of the lease that contains the specific language in the lease prohibiting

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such liability, is recorded in the official records of the county where the premises are located before the recording of a notice of commencement for improvements to the premises and the terms of the lease expressly prohibit such liability; or

- 2. The terms of the lease expressly prohibit such liability, and a notice advising that leases for the rental of premises on a parcel of land prohibit such liability has been recorded in the official records of the county in which the parcel of land is located before the recording of a notice of commencement for improvements to the premises, and the notice includes the following:
 - a. The name of the lessor.

- b. The legal description of the parcel of land to which the 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

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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 from the lessor.

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

713.13 Notice of commencement.

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

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351 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 lessee, if the A lessee who contracts for the improvements <u>as</u> is an owner as defined in s. $\frac{713.01}{\text{ under s. }713.01(23)} \text{ and must be listed as the owner}$ together with a statement that the ownership interest is a leasehold interest.
 - 5.4. The name and address of the contractor.
- $\underline{6.5.}$ The name and address of the surety on the payment bond under s. 713.23, if any, and the amount of such bond.
- 7.6. The name and address of any person making a loan for the construction of the improvements.
- 8.7. 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.
- (c) If the contract between the owner and a contractor named in the notice of commencement expresses a period of time for completion for the construction of the improvement greater than 1 year, the notice of commencement must state that it is effective for a period of 1 year plus any additional period of

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     time. Any payments made by the owner either before recording the
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     notice of commencement or after the expiration of the notice of
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     commencement are considered improper payments.
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               A notice of commencement must be in substantially the
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     following form:
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     Permit No....
                                                 Tax Folio No....
383
                           NOTICE OF COMMENCEMENT
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     State of....
385
     County of....
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     The undersigned hereby gives notice that improvement will be
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     made to certain real property, and in accordance with Chapter
389
     713, Florida Statutes, the following information is provided in
390
     this Notice of Commencement.
391
          1. Description of property: ...(legal description of the
392
     property, and street address if available) ....
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          2. General description of improvement:.....
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          3.a. Owner: ...name and address....
          b. Owner's phone number:.... Owner information or
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     information if the Lessee contracted for the improvement:
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          a. Name and address:....
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          b. Interest in property:.....
              Name and address of fee simple titleholder (if
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     different from Owner listed above):....
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          4.a. Lessee, if the lessee contracted for the improvement:
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     ... (name and address) ....
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          b. Lessee's phone number:.... a.
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          5.a. Contractor: ... (name and address) ....
405
          b. Contractor's phone number:....
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          6.5. Surety (if applicable, a copy of the payment bond is
407
     attached):
          a. Name and address:....
408
          b. Phone number:....
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          c. Amount of bond: $.....
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          7.a.<del>6.a.</del> Lender: ...(name and address)....
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412
          b. Lender's phone number:....
          8.7. Persons within the State of Florida designated by
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     Owner upon whom notices or other documents may be served as
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     provided by Section 713.13(1)(a)8. \frac{713.13(1)}{(a)7.}, Florida
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     Statutes:
417
          a. Name and address:....
418
          b. Phone numbers of designated persons:....
419
          9.a.<del>8.a.</del> In addition to himself or herself, Owner
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     designates ..... of ..... to receive a copy of the
421
     Lienor's Notice as provided in Section 713.13(1)(b), Florida
422
     Statutes.
          b. Phone number of person or entity designated by
423
     owner:....
424
          10.9. Expiration date of notice of commencement (the
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     expiration date will be 1 year after from the date of recording
427
     unless a different date is specified) .....
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429
     WARNING TO OWNER: ANY PAYMENTS MADE BY THE OWNER AFTER THE
430
     EXPIRATION OF THE NOTICE OF COMMENCEMENT ARE CONSIDERED IMPROPER
     PAYMENTS UNDER CHAPTER 713, PART I, SECTION 713.13, FLORIDA
431
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     STATUTES, AND CAN RESULT IN YOUR PAYING TWICE FOR IMPROVEMENTS
433
     TO YOUR PROPERTY. A NOTICE OF COMMENCEMENT MUST BE RECORDED AND
434
     POSTED ON THE JOB SITE BEFORE THE FIRST INSPECTION. IF YOU
435
     INTEND TO OBTAIN FINANCING, CONSULT WITH YOUR LENDER OR AN
436
     ATTORNEY BEFORE COMMENCING WORK OR RECORDING YOUR NOTICE OF
437
     COMMENCEMENT.
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439
     ... (Signature of Owner or Lessee, or Owner's or Lessee's
440
     Authorized Officer/Director/Partner/Manager) ...
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442
     ... (Signatory's Title/Office)...
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444
     The foregoing instrument was acknowledged before me by means of
     \square physical presence or acknowledged before me by means of \square
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     online notarization, this .... day of ...., ... (year)..., by
447
     ... (name of person) ... as ... (type of authority, . . . e.g.
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     officer, trustee, attorney in fact) ... for ... (name of party on
449
     behalf of whom instrument was executed) ....
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151	(Signature of Notary Public - State of Florida)
152	
153	(Print, Type, or Stamp Commissioned Name of Notary Public)
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155	Personally Known OR Produced Identification
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157	Type of Identification Produced
158	Section 7. Subsections (1), (3), and (4) of section
159	713.132, Florida Statutes, are amended to read:
160	713.132 Notice of termination
161	(1) An owner may terminate the period of effectiveness of
162	a notice of commencement by executing, swearing to, and
163	recording a notice of termination that contains:
164	(a) The same information as the notice of commencement;
165	(b) The official records' recording office document book
166	and page reference numbers and recording date affixed by the
167	recording office on of the recorded notice of commencement;
168	(c) A statement of the date as of which the notice of
169	commencement is terminated, which date may not be earlier than
170	30 days after the notice of termination is recorded;
171	(d) A statement specifying that the notice applies to all
172	the real property subject to the notice of commencement or
173	specifying the portion of such real property to which it
174	applies;
175	(e) A statement that all lienors have been paid in full;

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- (f) A statement that the owner has, before recording the notice of termination, served a copy of the notice of termination on the contractor and on each lienor who has a direct contract with the owner or who has timely served a notice to owner, and a statement that the owner will serve a copy of the notice of termination on each lienor who timely serves a notice to owner after the notice of termination has been recorded. The owner is not required to serve a copy of the notice of termination on any lienor who has executed a waiver and release of lien upon final payment in accordance with s. 713.20.
- (3) An owner may not record a notice of termination at any time after except after completion of construction, or after construction ceases before completion and all lienors have been paid in full or pro rata in accordance with s. 713.06(4).
- (4) If an owner or a contractor, by fraud or collusion, knowingly makes any fraudulent statement or affidavit in a notice of termination or any accompanying affidavit, the owner and the contractor, or either of them, as the case may be, is liable to any lienor who suffers damages as a result of the filing of the fraudulent notice of termination, and any such lienor has a right of action for damages occasioned thereby.
- (5)(4) A notice of termination <u>must be served before</u> recording on each lienor who has a direct contract with the

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owner and on each lienor who has timely and properly served a notice to owner in accordance with this part before the recording of the notice of termination. A notice of termination must be recorded in the official records of the county in which the improvement is located. If properly served before recording in accordance with this subsection, the notice of termination terminates the period of effectiveness of the notice of commencement 30 days after the notice of termination is recorded in the official records is effective to terminate the notice of commencement at the later of 30 days after recording of the notice of termination or a later the date stated in the notice of termination as the date on which the notice of commencement is terminated. However, if a lienor who began work under the notice of commencement before its termination lacks a direct contract with the owner and timely serves his or her notice to owner after the notice of termination has been recorded, the owner must serve a copy of the notice of termination upon such lienor, and the termination of the notice of commencement as to that lienor is effective 30 days after service of the notice of termination if the notice of termination has been served pursuant to paragraph (1)(f) on the contractor and on each lienor who has a direct contract with the owner or who has served a notice to owner. Section 8. Section 713.18, Florida Statutes, is amended to read:

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713.18 Manner of serving <u>documents</u> notices and other instruments.

- of any document notices, claims of lien, affidavits, assignments, and other instruments permitted or required under this part, s. 255.05, or s. 337.18, 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 <u>hand</u> 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 common carrier delivery service or by registered, Global Express Guaranteed, or certified mail to the person to be served, with postage or shipping paid by the sender and with evidence of delivery, which may be in an electronic format.
- (c) By posting on the site of the improvement if service as provided by paragraph (a) or paragraph (b) cannot be accomplished.
- (2) Notwithstanding subsection (1), service of a notice to owner or a preliminary notice to contractor under this part, s. 255.05, or s. 337.18, or s. 713.23 is effective as of the date of mailing and the requirements for service under this section have been satisfied if:
 - (a) The notice is mailed by registered, Global Express

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Guaranteed, or certified mail, with postage prepaid, to the person to be served and addressed as prescribed 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
- (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
- 2. The person who served the notice maintains electronic tracking records approved or generated by the United States Postal 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) Notwithstanding subsection (1), service of a document under an instrument pursuant to this section is effective on the date of mailing or shipping, and the requirements for service under this section have been satisfied, the instrument if the document it:
- 1. Is sent to the last address shown in the notice of commencement or any amendment thereto that is properly indexed and contains the information specified in s. 713.13(1) (b), or, in the absence of a notice of commencement, to the last address

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shown in the building permit application, or to the last known address of the person to be served <u>unless otherwise specifically</u> provided in this part, s. 255.05, or s. 337.18; and

- 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 document item.
- any amendment thereto to the notice of commencement, or, in the absence of a notice of commencement, in the building permit application, is incomplete for purposes of mailing or delivery, the person serving the document 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 without affecting the validity of service under this section.
- (4) A <u>document</u> notice served by a lienor on one owner or one partner of a partnership owning the real property is deemed <u>served on notice to</u> all owners and partners.
- Section 9. Subsections (6) and (8) of section 713.20, Florida Statutes, are amended to read:
 - 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) in exchange for, or to induce

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payment of, a progress payment or final payment unless the lienor has entered into a direct contract that requires the lienor to furnish a waiver or release that is different from the forms in subsection (4) or subsection (5).

- (8) Any provisions in a lien waiver or lien release which are that is not related to the waiver or release of a lien or the right to claim a lien as provided in this section are unenforceable, unless the lienor has otherwise agreed to those provisions in the direct contract substantially similar to the forms in subsections (4) and (5) is enforceable in accordance with the terms of the lien waiver or lien release.
- Section 10. Section 713.21, Florida Statutes, is amended to read:
- 713.21 Discharge of lien.—A lien properly perfected under this chapter may be discharged, or released in whole or in part, by any of the following methods:
- (1) By entering satisfaction of the lien upon the margin of the record thereof in the clerk's office when not otherwise prohibited by law. This satisfaction shall be signed by the lienor, the lienor's agent or attorney and attested by said clerk. Any person who executes a claim of lien has shall have authority to execute a satisfaction in the absence of actual notice of lack of authority to any person relying on the same.
- (2) By the satisfaction <u>or release</u> of the lienor, duly acknowledged and recorded in the clerk's office. <u>The</u>

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satisfaction or release must include the lienor's notarized signature and set forth the official records' reference numbers and recording date affixed by the recording office on the subject lien. Any person who executes a claim of lien has shall have authority to execute a satisfaction or release in the absence of actual notice of lack of authority to any person relying on the same.

- (3) By failure to begin an action to enforce the lien within the time prescribed in this part.
- (4) By an order of the circuit court of the county where the property is located, as provided in this subsection. Upon filing a complaint therefor by any interested party the clerk shall issue a summons to the lienor to show cause within 20 days why his or her lien should not be enforced by action or vacated and canceled of record. Upon failure of the lienor to show cause why his or her lien should not be enforced or the lienor's failure to commence such action before the return date of the summons the court shall forthwith order cancellation of the lien.
- (5) By recording in the clerk's office the original or a certified copy of a judgment or decree of a court of competent jurisdiction showing a final determination of the action.
- Section 11. Paragraph (d) of subsection (1) of section 713.23, Florida Statutes, is amended to read:
 - 713.23 Payment bond.

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In addition, a lienor who has not received payment for furnishing his or her labor, services, or materials must, as a condition precedent to recovery under the bond, serve a written notice of nonpayment on to the contractor and a copy of the notice on the surety. The notice must be under oath and served during the progress of the work or thereafter, but may not be served later than 90 days after the final furnishing of labor, services, or materials by the lienor, or, with respect to rental equipment, later than 90 days after the date the rental equipment was on the job site and available for use. A notice of nonpayment that includes sums for retainage must specify the portion of the amount claimed for retainage. The required notice satisfies this condition precedent with respect to the payment described in the notice of nonpayment, including unpaid finance charges due under the lienor's contract, and with respect to any other payments which become due to the lienor after the date of the notice of nonpayment. The time period for serving a notice of nonpayment is shall be measured from the last day of furnishing labor, services, or materials by the lienor and may not be measured by other standards, such as the issuance of a certificate of occupancy or the issuance of a certificate of substantial completion. The failure of a lienor to receive retainage sums not in excess of 10 percent of the value of labor, services, or materials furnished by the lienor is not

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considered a nonpayment requiring the service of the notice provided under this paragraph. If the payment bond is not recorded before commencement of construction, the time period for the lienor to serve a notice of nonpayment may at the option of the lienor be calculated from the date specified in this section or the date the lienor is served a copy of the bond. However, the limitation period for commencement of an action on the payment bond as established in paragraph (e) may not be expanded. The negligent inclusion or omission of any information in the notice of nonpayment that has not prejudiced the contractor or surety does not constitute a default that operates to defeat an otherwise valid bond claim. A lienor who serves a fraudulent notice of nonpayment forfeits his or her rights under the bond. A notice of nonpayment is fraudulent if the lienor has willfully exaggerated the amount unpaid, willfully included a claim for work not performed or materials not furnished for the subject improvement, or prepared the notice with such willful and gross negligence as to amount to a willful exaggeration. However, a minor mistake or error in a notice of nonpayment, or a good faith dispute as to the amount unpaid, does not constitute a willful exaggeration that operates to defeat an otherwise valid claim against the bond. The service of a fraudulent notice of nonpayment is a complete defense to the lienor's claim against the bond. The notice under this paragraph must include the following information, current as of the date

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of the notice, and must be in substantially the following form: 701 702 703 NOTICE OF NONPAYMENT 704 705 To ... (name of contractor and address) ... 706 707 ... (name of surety and address) ... 708 709 The undersigned lienor notifies you that: 710 The lienor has furnished ... (describe labor, services, 711 or materials)... for the improvement of the real property 712 identified as ... (property description) The corresponding 713 amount unpaid to date is \$...., of which \$.... is unpaid 714 retainage. 715 2. The lienor has been paid to date the amount of \$.... for previously furnishing ... (describe labor, services, or 716 717 materials) ... for this improvement. 718 The lienor expects to furnish ... (describe labor, 719 services, or materials)... for this improvement in the future 720 (if known), and the corresponding amount expected to become due 721 is \$.... (if known). 722 I declare that I have read the foregoing Notice of Nonpayment 723 724 and that the facts stated in it are true to the best of my 725 knowledge and belief.

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     DATED on ....., ......
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729
                                ... (signature and address of lienor) ...
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     STATE OF FLORIDA
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     COUNTY OF.....
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     The foregoing instrument was sworn to (or affirmed) and
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     subscribed before me by means of \square physical presence or sworn to
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     (or affirmed) by \square online notarization, this .... day of ....,
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     ... (year) ..., by ... (name of signatory) ....
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          ... (Signature of Notary Public - State of Florida) ...
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          ... (Print, Type, or Stamp Commissioned Name of Notary
740
     Public) ...
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742
     Personally Known ...... OR Produced Identification ......
743
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     Type of Identification Produced
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          Section 12. Subsections (3) and (5) of section 713.235,
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     Florida Statutes, are amended to read:
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          713.235 Waivers of right to claim against payment bond;
     forms.-
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               A person may not require a claimant to furnish a
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     waiver that is different from the forms in subsections (1) and
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(2) in exchange for, or to induce payment of, a progress payment or final payment unless the claimant has entered into a direct contract that requires the claimant to furnish a waiver that is different from the forms in subsections (1) and (2).

- (5) Any provisions in a waiver which are that is not related to the waiver of a claim or a right to claim against the payment bond as provided in this section are unenforceable, unless the claimant has otherwise agreed to those provisions in the claimant's direct contract substantially similar to the forms in this section is enforceable in accordance with its terms.
- Section 13. Section 713.29, Florida Statutes, is amended to read:
- 713.29 Attorney Attorney's fees.—In any action brought to enforce a lien, including a lien that has been transferred to security, or to enforce a claim against a bond under this part, the prevailing party is entitled to recover a reasonable fee for the services of her or his attorney for trial and appeal or for arbitration, in an amount to be determined by the court, which fee must be taxed as part of the prevailing party's costs, as allowed in equitable actions.
- Section 14. This act shall take effect July 1, 2021.