

26 (b) In some circumstances, the continued enforcement of
 27 those covenants ~~that~~ may create economic waste, areas of
 28 disrepair that threaten the safety and welfare of the public, or
 29 cause obsolescence of the a condominium property for its
 30 intended use and thereby lower property tax values, and ~~the~~
 31 ~~Legislature further finds that~~ it is the public policy of this
 32 state to provide by statute a method to preserve the value of
 33 the property interests and the rights of alienation thereof that
 34 owners have in the condominium property before and after
 35 termination.

36 (c) The Legislature further finds that It is contrary to
 37 the public policy of this state to require the continued
 38 operation of a condominium when to do so constitutes economic
 39 waste or when the ability to do so is made impossible by law or
 40 regulation.

41 (d) It is in the best interest of the state to provide for
 42 termination of the covenants of a declaration of condominium in
 43 certain circumstances, in order to:

44 1. Ensure the continued maintenance, management, and
 45 repair of stormwater management systems, conservation areas, and
 46 conservation easements.

47 2. Avoid transferring the expense of maintaining
 48 infrastructure serving the condominium property, including, but
 49 not limited to, stormwater systems and conservation areas to the
 50 general tax bases of the state and local governments.

51 3. Prevent covenants from impairing the continued
 52 productive use of the property.

53 4. Protect state residents from health and safety hazards
 54 created by derelict, damaged, obsolete, or abandoned condominium
 55 properties.

56 5. Provide fair treatment and just compensation for
 57 individuals and preserve property values and the local property
 58 tax base.

59 6. Preserve the state's long history of protecting
 60 homestead property and homestead property rights by ensuring
 61 that such protection is extended to homestead property owners in
 62 the context of a termination of the covenants of a declaration
 63 of condominium. This section applies to all condominiums in this
 64 state in existence on or after July 1, 2007.

65 (3) OPTIONAL TERMINATION. ~~Except as provided in subsection~~
 66 ~~(2) or unless the declaration provides for a lower percentage,~~
 67 The condominium form of ownership may be terminated for all or a
 68 portion of the condominium property pursuant to a plan of
 69 termination meeting the requirements of this section and, where
 70 applicable, accepted by the division. Before a residential
 71 association submits a plan to the division, the plan must be
 72 approved by at least 80 percent of the total voting interests of
 73 the condominium. However, if 5 ~~10~~ percent or more of the total
 74 voting interests of the condominium have rejected the plan of
 75 termination by negative vote or by providing written objections.

76 | the plan of termination may not proceed.

77 | (a) The termination of the condominium form of ownership
78 | is subject to the following conditions:

79 | 1. The total voting interests of the condominium must
80 | include all voting interests for the purpose of considering a
81 | plan of termination. A voting interest of the condominium may
82 | not be suspended for any reason when voting on termination
83 | pursuant to this subsection.

84 | 2. If 5 ~~10~~ percent or more of the total voting interests
85 | of the condominium reject a plan of termination, a subsequent
86 | plan of termination pursuant to this subsection may not be
87 | considered for 24 ~~18~~ months after the date of the rejection.

88 | (b) This subsection does not apply to any condominium
89 | created pursuant to part VI of this chapter until 10 ~~5~~ years
90 | after the recording of the declaration of condominium, unless
91 | there is no objection to the plan of termination.

92 | (c) For purposes of this subsection, the term "bulk owner"
93 | means the single holder of such voting interests or an owner
94 | together with a related entity or entities that would be
95 | considered an insider, as defined in s. 726.102, holding such
96 | voting interests. If the condominium association is a
97 | residential association proposed for termination pursuant to
98 | this section and, at the time of recording the plan of
99 | termination, at least 80 percent of the total voting interests
100 | are owned by a bulk owner, the plan of termination is subject to

101 the following conditions and limitations:

102 1. If the former condominium units are offered for lease
103 to the public after the termination, each unit owner in
104 occupancy immediately before the date of recording of the plan
105 of termination may lease his or her former unit and remain in
106 possession of the unit for 12 months after the effective date of
107 the termination on the same terms as similar unit types within
108 the property are being offered to the public. In order to obtain
109 a lease and exercise the right to retain exclusive possession of
110 the unit owner's former unit, the unit owner must make a written
111 request to the termination trustee to rent the former unit
112 within 90 days after the date the plan of termination is
113 recorded. Any unit owner who fails to timely make such written
114 request and sign a lease within 15 days after being presented
115 with a lease is deemed to have waived his or her right to retain
116 possession of his or her former unit and shall be required to
117 vacate the former unit upon the effective date of the
118 termination, unless otherwise provided in the plan of
119 termination.

120 2. Any former unit owner whose unit was granted homestead
121 exemption status by the applicable county property appraiser as
122 of the date of the recording of the plan of termination shall be
123 paid a relocation payment in an amount equal to 1 percent of the
124 termination proceeds allocated to the owner's former unit. Any
125 relocation payment payable under this subparagraph shall be paid

126 by the single entity or related entities owning at least 80
127 percent of the total voting interests. Such relocation payment
128 shall be in addition to the termination proceeds for such
129 owner's former unit and shall be paid no later than 10 days
130 after the former unit owner vacates his or her former unit.

131 3. For their respective units, all unit owners other than
132 the bulk owner must be compensated at least 100 percent of the
133 fair market value of their units. The fair market value shall be
134 determined as of a date that is no earlier than 90 days before
135 the date that the plan of termination is recorded and shall be
136 determined by an independent appraiser selected by the
137 termination trustee. For a person ~~an original purchaser from the~~
138 ~~developer who rejects the plan of termination and~~ whose unit was
139 granted homestead exemption status by the applicable county
140 property appraiser, or was an owner-occupied operating business,
141 as of the date that the plan of termination is recorded and who
142 is current in payment of both assessments and other monetary
143 obligations to the association ~~and any mortgage encumbering the~~
144 ~~unit~~ as of the date the plan of termination is recorded, the
145 fair market value for the unit owner rejecting the plan shall be
146 at least the original purchase price paid for the unit. For
147 purposes of this subparagraph, the term "fair market value"
148 means the price of a unit that a seller is willing to accept and
149 a buyer is willing to pay on the open market in an arms-length
150 transaction based on similar units sold in other condominiums,

151 including units sold in bulk purchases but excluding units sold
152 at wholesale or distressed prices. The purchase price of units
153 acquired in bulk following a bankruptcy or foreclosure shall not
154 be considered for purposes of determining fair market value.

155 4. The plan of termination must provide for payment of a
156 first mortgage encumbering a unit to the extent necessary to
157 satisfy the lien, but the payment may not exceed the unit's
158 share of the proceeds of termination under the plan. If the unit
159 owner is current in payment of both assessments and other
160 monetary obligations to the association and any mortgage
161 encumbering the unit as of the date the plan of termination is
162 recorded, the receipt by the holder of the unit's share of the
163 proceeds of termination under the plan or the outstanding
164 balance of the mortgage, whichever is less, shall be deemed to
165 have satisfied the first mortgage in full.

166 5. Before a plan of termination is presented to the unit
167 owners for consideration pursuant to this paragraph, the plan
168 must include the following written disclosures in a sworn
169 statement:

170 a. The identity of any person or entity that owns or
171 controls 25 ~~50~~ percent or more of the units in the condominium
172 and, if the units are owned by an artificial entity or entities,
173 a disclosure of the natural person or persons who, directly or
174 indirectly, manage or control the entity or entities and the
175 natural person or persons who, directly or indirectly, own or

176 control 10 ~~20~~ percent or more of the artificial entity or
177 entities that constitute the bulk owner.

178 b. The units acquired by any bulk owner, the date each
179 unit was acquired, and the total amount of compensation paid to
180 each prior unit owner by the bulk owner, regardless of whether
181 attributed to the purchase price of the unit.

182 c. The relationship of any board member to the bulk owner
183 or any person or entity affiliated with the bulk owner subject
184 to disclosure pursuant to this subparagraph.

185 d. The factual circumstances that show that the plan
186 complies with the requirements of this section and that the plan
187 supports the expressed public policies of this section.

188 (d) If the members of the board of administration are
189 elected by the bulk owner, unit owners other than the bulk owner
190 may elect at least one-third of the members of the board of
191 administration before the approval of any plan of termination.

192 (e) Upon approval of a plan of termination by the unit
193 owners in a residential condominium, the plan shall be filed
194 with the division. The division shall review the plan to
195 determine its sufficiency under the Condominium Act and must,
196 within 45 days after receipt of the initial filing, notify the
197 association by mail of any procedural deficiencies or that the
198 filing is accepted. If the notice is not provided to the
199 association within 45 days after receipt of the filing, the
200 filing is presumed to be accepted. If the division determines

201 that the conditions required by this section have been met and
 202 the plan complies with the procedural requirements of this
 203 section, the division shall authorize the termination and the
 204 termination may proceed pursuant to this section.

205 (f) The provisions of subsection (2) do not apply to
 206 optional termination pursuant to this subsection.

207 (21) APPLICABILITY.—This section applies to all
 208 condominiums in this state in existence on or after July 1,
 209 2007.

210 Section 2. The amendments made by this act are intended to
 211 clarify existing law, are remedial in nature and intended to
 212 address the rights and liabilities of the affected parties, and
 213 apply to all condominiums created under the Condominium Act.

214 Section 3. For the 2017-2018 fiscal year, the sums of
 215 \$85,006 in recurring funds and \$4,046 in nonrecurring funds from
 216 the Division of Florida Condominiums, Timeshares, and Mobile
 217 Homes Trust Fund are appropriated to the Department of Business
 218 and Professional Regulation and one full-time equivalent
 219 position with associated salary rate of 56,791 is authorized,
 220 for the purpose of implementing this act.

221 Section 4. This act shall take effect July 1, 2017.