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2017 STATUTORY CHANGES TO FLORIDA'S CONDOMINIUM TERMINATION STATUTE

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As an update to my previous blog dated June 15, 2017 on terminations of condominiums which can be found here, Florida Governor Rick Scott signed Senate Bill 1520 into law on June 16, 2017. Senate Bill 1520 addresses the termination of condominiums in Florida and impacts the manner in which Florida condominiums may be terminated pursuant to Section 718.117, Florida Statutes. Specifically, the legislation changes the termination procedure in the following manner:

- Instead of the termination trustee simply providing a certified copy of the recorded plan of termination to the Division of Florida Condominiums, Timeshares, and Mobile Homes (the "Division") within 90 days of the plan's effective date, the legislation now requires that the Division approve all plans of termination. The Division has 45 days from receipt of the plan to approve or reject the plan of termination based on procedural sufficiency.
- Previously, at least 80% of the total voting interests of the condominium must approve the plan of termination and if 10% or more of the total voting interests of the condominium rejected the plan of termination by negative vote or by providing written objections, the plan of termination could not proceed. This legislation now only requires 5% or more of the total voting interests of the condominium to reject the termination.
- There is an increase the amount of time that a plan of termination may be reconsidered for a vote if the voting interests did not approve the plan of termination. Now, a subsequent plan of termination may not be considered for 24 months (increased from 18 months) after the date it was previously rejected.
- Previously, if an owner purchased their unit from the developer and such owner rejected the plan of termination though it was otherwise approved, such owner had to be compensated at least the fair market value of the unit but no less than amount such owner paid for the unit. Now, this protection is in place for any owner who has homesteaded their property no matter from whom such owner purchased the unit.

The new statutory provisions regarding terminations are effective July 1, 2017 and could severely influence the availability, cost and timing of terminating condominiums in Florida.

For more information on this topic, please contact Barry Lapides on the firm's Business, Finance and Tax Team.

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