

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 570

SPONSOR: Senator Fasano

SUBJECT: Termination of Rental Agreements/Armed Forces Personnel

DATE: February 12, 2003 REVISED: 2/18/03 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Vickers</u>	<u>Krasovsky</u>	<u>MS</u>	<u>Fav/1 amendment</u>
2.	_____	_____	<u>JU</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill eliminates statutory provisions that require the payment of liquidated damages to a landlord for early termination of a rental agreement when a member of the United States Armed Forces is required to move pursuant to change of station orders.

This bill substantially amends section 83.682 of the Florida Statutes.

II. Present Situation:

Section 83.682, F.S., provides that any member of the United States Armed Forces who is required to move pursuant to permanent change of station orders may terminate his or her rental agreement by providing the landlord with a written notice of termination. The notice of termination must be effective at least 30 days from the date of receipt by the landlord and must be accompanied by either a copy of the official military orders or a written verification signed by the member's commanding officer. Upon termination of the rental agreement, the tenant is liable for the rent due under the rental agreement prorated to the effective date of the termination payable as otherwise provided for in the rental agreement.

This section also provides for the payment of liquidated damages to the landlord in certain circumstances. A tenant is liable for liquidated damages in instances where the tenant has completed less than 9 months of the tenancy and the landlord has suffered actual damages due to the loss of tenancy. The liquidated damages must be no greater than 1 month's rent if the tenant completed less than 6 months of the tenancy as of the effective date of termination, or one-half of 1 month's rent if the tenant has completed at least 6 but not less than 9 months of the tenancy as of the effective date of termination.

Section 83.682, F.S., provides that if a tenant terminates the rental agreement 14 or more days prior to occupancy, no damages or penalties of any kind are due.

According to the Department of Military Affairs, the provisions of s. 83.682, F.S., generally extend to members of the Florida National Guard when they are activated for federal duty. Similarly, members of the Florida National Guard who are activated for federal duty are protected by the Soldiers and Sailors Civil Relief Act (SSCRA). The SSCRA provides for the suspension of enforcement of civil liabilities, in certain cases, of persons in the military service of the United States. The act contains provisions relating to rent obligations, installment contracts, mortgages, liens, assignments, and leases. Its purpose is to “protect active military personnel from having their legal remedies expire during that time in which they are unable to assert them due to the unique demands placed upon personnel by virtue of their military service.”

Chapter 250, F.S., also provides protection to members of the Florida National Guard while on state active duty. For example, s. 250.5201, F.S., provides that any civil proceeding involving a member of the Florida National Guard called out into state active service may be stayed by the court for a period not to exceed 30 days. Similarly, s. 250.2502, F.S., provides that proceedings to enforce actions for rent or possession involving members of the Florida National Guard on state active service may not proceed during the period of state active service provided the service person has provided written notice to the landlord, the monthly rental amount does not exceed \$1,200, and the rental unit is used as the primary dwelling for the service member and his dependents. As a practical matter, representatives of the Florida National Guard indicated that the relatively short duration of state activated service generally precludes the use of these statutory provisions.

III. Effect of Proposed Changes:

This bill amends s. 83.682, F.S., to eliminate existing provisions that require the payment of liquidated damages when a member of the United States Armed Forces terminates a rental agreement due to reassignment. The bill would continue to require that service members provide notice of termination to the landlord at least 30 days in advance and provide either a copy of the official military orders or a written verification signed by the member’s commanding officer. In addition, the service member would remain liable for the portion of the rent due under the rental agreement prorated to the effective date of the termination.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

This bill would provide members of the United States Armed Forces a measure of relief from specified financial obligations when forced to move as a result of military orders.

The bill could have a potentially adverse fiscal impact on the owners/operators of rental properties located adjacent to military facilities. However, the fiscal impact of the bill on these parties is indeterminate.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

With the exception of amendment discussed below, this bill is identical to SB 482 (Senator Lynn).

VIII. Amendments:

#1 by Military Affairs and Veterans' Affairs, Base Protection, and Spaceports:

Provides that an insurer is to refund 100 percent of the unearned premium for motor vehicle insurance to a member of the United States Armed Forces who cancels because he or she is activated or transferred to a location where the insurance is not required. Provides for the submission of supporting documentation. (WITH TITLE AMENDMENT)