

R5 V AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING CHAPTER 58 OF THE MIAMI BEACH CITY CODE, ENTITLED "HOUSING," BY AMENDING ARTICLE VII, ENTITLED "CONSUMER PROTECTION OF OWNERS OF RESIDENTIAL REAL PROPERTY," BY AMENDING SECTION 58-600, ENTITLED "DEFINITIONS," SECTION 58-602, ENTITLED "NOTICE TO ASSOCIATIONS," AND SECTION 58-611, "CIVIL PENALTIES FOR VIOLATIONS OF SECTION 58-602," TO REQUIRE A PROSPECTIVE BULK OWNER OF RESIDENTIAL CONDOMINIUM UNITS TO PROVIDE NOTICE TO RESIDENTIAL UNIT OWNERS OF ANY PRESENT OR PENDING APPLICATION, OR OTHER REQUEST, TO AMEND THE COMPREHENSIVE PLAN OR LAND DEVELOPMENT REGULATIONS IN CONNECTION WITH A PROPOSED REDEVELOPMENT OF THE CONDOMINIUM PROPERTY; AND PROVIDING FOR REPEALER, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.

Applicable Area:

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: City Attorney Ricardo J. Dopico

DATE: July 23, 2025 11:05 a.m. First Reading Public Hearing

TITLE: AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING CHAPTER 58 OF THE MIAMI BEACH CITY CODE, ENTITLED "HOUSING," BY AMENDING ARTICLE VII, ENTITLED "CONSUMER PROTECTION OF OWNERS OF RESIDENTIAL REAL PROPERTY," BY AMENDING SECTION 58-600, ENTITLED "DEFINITIONS," SECTION 58-602, ENTITLED "NOTICE TO ASSOCIATIONS," AND SECTION 58-611, "CIVIL PENALTIES FOR VIOLATIONS OF SECTION 58-602," TO REQUIRE A PROSPECTIVE BULK OWNER OF RESIDENTIAL CONDOMINIUM UNITS TO PROVIDE NOTICE TO RESIDENTIAL UNIT OWNERS OF ANY PRESENT OR PENDING APPLICATION, OR OTHER REQUEST, TO AMEND THE COMPREHENSIVE PLAN OR LAND DEVELOPMENT REGULATIONS IN CONNECTION WITH A PROPOSED REDEVELOPMENT OF THE CONDOMINIUM PROPERTY; AND PROVIDING FOR REPEALER, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.

RECOMMENDATION

BACKGROUND/HISTORY

The attached Ordinance is presented by the sponsor, Commissioner Alex J. Fernandez, for consideration by the Mayor and City Commission at First Reading.

Condominiums are a popular form of residential real property ownership in the City of Miami Beach and are featured among the City's most cherished historic buildings within both local and National Register districts.

Rising property values and recent changes to the Florida Condominium Act, chapter 718, F.S., and other relevant state statutes have contributed to increased attempts to terminate older condominiums in the City of Miami Beach.

Section 718.117, F.S., provides the methods by which condominiums may be terminated. Section 718.117(3)(c), F.S., sets forth the procedures, rights, and obligations of parties with respect to an optional termination of condominium initiated by an owner, together with its affiliates, who holds at least 80 percent of the voting interests in the condominium (a "bulk owner").

The City of Miami Beach Office of the Inspector General ("OIG") has identified that condominium residents may not be aware of efforts by developers to acquire controlling interests in condominium property and gain bulk owner status (defined in the attached Ordinance as "prospective bulk owners") until it is too late to meaningfully express their opinions, raise objections, or explore alternative living arrangements. The OIG further found that this lack of transparency can be especially harmful to elderly and middle- and fixed-income condominium owners.

On June 25, 2025, the City Commission adopted an Ordinance requiring prospective bulk owners of residential condominium units to provide notice of their acquisition of interests in condominium property to each unit owner on the property; the board of the condominium association; the property manager (if applicable); and the City Manager.

ANALYSIS

The attached Ordinance amends Chapter 58, Article VII of the City Code, entitled “Consumer Protection of Owners of Residential Real Property,” to amend the existing notice requirement applicable to prospective bulk owners. Specifically, the Ordinance requires additional notice if a prospective bulk owner has filed an application or other request to amend the Comprehensive Plan and/or Land Development Regulations in connection with a proposed redevelopment of the subject condominium property.^[1] The sponsor’s intent is to promote transparency, protect condominium unit owners’ interests, and promote owners’ early inclusion and participation in negotiations.

Consistent with the regulations on prospective bulk owners that were recently adopted by the City Commission, the attached Ordinance (i) would apply once a prospective bulk owner has acquired, or is under contract to purchase, 20% or more of the total ownership interests in the condominium; and (ii) would apply to condominium property with a minimum of 12 condominium units.

A prospective bulk owner would be required to update and redistribute the notice within five (5) business days of any changes to the information contained in the notice. Additionally, the condominium association and/or property manager would be required to conspicuously publish the notice on the condominium property.

^[1] A requirement that prospective bulk buyers provide notice of pending applications to amend the Comprehensive Plan and/or Land Development Regulations is not in conflict with or expressly preempted by the Florida Condominium Act or the Florida Deceptive and Unfair Trade Practices Act.

FISCAL IMPACT STATEMENT

The City will use existing resources to enforce this Ordinance.

Does this Ordinance require a Business Impact Estimate? Yes
(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:
See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notices/>

FINANCIAL INFORMATION

CONCLUSION

Applicable Area

Citywide

**Is this a “Residents Right to Know” item,
pursuant to City Code Section 2-17?**

**Is this item related to a G.O. Bond
Project?**

Yes

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

City Attorney

Sponsor(s)

Commissioner Alex Fernandez

Co-sponsor(s)

Condensed Title

11:05 a.m. 1st Rdg, Amend Notice Requirement for Prospective Bulk Condo Owners.
(Fernandez)

Previous Action (For City Clerk Use Only)

ORDINANCE NO. _____

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING CHAPTER 58 OF THE MIAMI BEACH CITY CODE, ENTITLED "HOUSING," BY AMENDING ARTICLE VII, ENTITLED "CONSUMER PROTECTION OF OWNERS OF RESIDENTIAL REAL PROPERTY," BY AMENDING SECTION 58-600, ENTITLED "DEFINITIONS," SECTION 58-602, ENTITLED "NOTICE TO ASSOCIATIONS," AND SECTION 58-611, "CIVIL PENALTIES FOR VIOLATIONS OF SECTION 58-602," TO REQUIRE A PROSPECTIVE BULK OWNER OF RESIDENTIAL CONDOMINIUM UNITS TO PROVIDE NOTICE TO RESIDENTIAL UNIT OWNERS OF ANY PRESENT OR PENDING APPLICATION, OR OTHER REQUEST, TO AMEND THE COMPREHENSIVE PLAN OR LAND DEVELOPMENT REGULATIONS IN CONNECTION WITH A PROPOSED REDEVELOPMENT OF THE CONDOMINIUM PROPERTY; AND PROVIDING FOR REPEALER, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.

WHEREAS, the condominium form of ownership is popular throughout the City of Miami Beach, including in its historic districts; and

WHEREAS, in response to rising property values and recent changes to the Florida Condominium Act, Ch. 718, Fla. Stat., and other relevant state statutes, attempts to terminate condominiums are on the rise in the City of Miami Beach; and

WHEREAS, it is in the public interest to ensure transparency in the condominium termination buyout process and to apprise unit owners of present or pending applications or other requests to amend the Comprehensive Plan or Land Development Regulations in connection with a proposed redevelopment of a condominium property.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA:

SECTION 1. Chapter 58 of the Code of the City of Miami Beach, Florida, entitled "Housing," is amended as follows and as hereinafter set forth below:

**CHAPTER 58
HOUSING**

* * *

**ARTICLE VII. CONSUMER PROTECTION OF
OWNERS OF RESIDENTIAL REAL PROPERTY**

Sec. 58-600. Definitions.

(a) "Acquire" or "Acquisition" means gaining any right, benefit, or consideration through any contract, option, or agreement with an owner of real property, regardless of whether a sale,

conveyance, or transfer of all or any portion of an ownership interest in real property has been consummated.

(b) "Association" shall have the meaning set forth in s. 718.103, Fla. Stat.

(c) "Bulk owner" shall have the meaning set forth in s. 718.117, Fla. Stat.

(d) "Contact" means to initiate any written or verbal communication via any physical or electronic medium, including but not limited to telephone calls, electronic mail, letters or leaflets, and in-person visits.

(e) "Condominium property" shall have the meaning set forth in s. 718.103, Fla. Stat.

(f) "Developer" means the person or entity, and any affiliates, agents, employees, and attorneys of the person or entity, initiating or attempting to initiate contact with a unit owner.

(g) "Property manager" means the person or entity responsible for the supervision, maintenance, and/or operation of condominium property.

(h) "Prospective bulk owner" means a person or entity which has acquired twenty (20) percent or more of the total ownership interests of condominium property, regardless of whether the person or entity is seeking to acquire the rights and interests of a bulk owner; and any successor in interest or assignee of such person or entity.

(i) "Solicit" or "Solicitation" means to request, encourage, persuade, or convince a unit owner:

- (1) to enter into a contract, option, or agreement to sell, convey, or transfer all or any portion of their ownership interest to the developer; or
- (2) to modify the terms of a contract, option, or agreement, if a unit owner has previously entered into a contract, option, or agreement to sell, convey, or transfer all or any portion of their ownership interest to the developer.

(j) "Threat" or "Threaten" means any statement that:

- (1) explicitly or implicitly threatens a forced sale of the property of any property owner;
- (2) cajoles, pressures, forces, harasses, or otherwise coerces a property owner to enter into a contract, option, or agreement to sell, convey, or transfer property to the developer; or
- (3) cajoles, pressures, forces, harasses, or otherwise coerces a property owner to modify the terms of an existing contract, option, or agreement to sell, convey, or transfer property to the developer.

(k) "Unit owner" or "Owner of a unit" shall have the meaning set forth in s. 718.103, Fla. Stat.

* * *

Sec. 58-602. Requiring notice to condominium associations by prospective bulk owners.

(a) Within thirty (30) calendar days after a prospective bulk owner acquires twenty (20) percent or more of the ownership interests of condominium property, or succeeds in or receives an assignment of the interests of a prospective bulk owner, the prospective bulk owner shall deliver a notice by mail to the following recipients:

- (1) The secretary or equivalent officer of the condominium association.
- (2) The property manager.
- (3) Each unit owner in the condominium.

- (4) The city manager.
- (b) The notice shall contain the following information:
- (1) The name, principal address, business phone number, and email address of the prospective bulk owner. If the prospective bulk owner is an entity, the notice shall also include the name, principal address, business phone number, and email address of the registered agent. If the prospective bulk owner is an entity formed and existing outside the state of Florida, the notice shall also include the prospective bulk owner's Florida business address or, if applicable, local business address.
 - (2) The name and street address(es) of the condominium.
 - (3) The total number of units which the prospective bulk owner has acquired as of the date of the notice.
 - (4) The following statement:

"The party named in this notice has acquired at least twenty (20) percent of the ownership interests in this condominium."
 - (5) ~~Additionally, if~~ If the prospective bulk owner intends to approve and file a plan of termination of condominium, the notice shall also include the following statement:

"The party named in this notice has begun acquiring ownership interests in this condominium with the intent to approve and file a plan of termination with the Division of Florida Condominiums, Timeshares, and Mobile Homes."
 - (6) If the prospective bulk owner has filed a present or pending application, or other request, to amend the comprehensive plan or land development regulations in connection with a proposed redevelopment of the condominium property, the notice shall also include the following statement:

"The party named in this notice has filed a planning and zoning application to amend the City of Miami Beach's Comprehensive Plan and/or Land Development Regulations in connection with a proposed redevelopment of this condominium property. A copy of the application may be obtained from the City of Miami Beach by contacting the Planning Department at 305-673-7550 or planninginfo@miamibeachfl.gov."
- (c) The prospective bulk owner shall deliver an updated version of the notice to all recipients required under this section within five (5) business days following a change to any information contained in the notice.
- (d) Any notice required under this section shall be plainly visible and written in a font size of no less than 14 points, and all information thereupon shall be clear and legible.
- (e) Upon receipt of a notice, the association or property manager shall conspicuously publish, post, or distribute the notice in a common area or otherwise in the manner by which notices are customarily provided to the members of the association.
- (f) *Effective date.* The provisions of this section shall apply to any prospective bulk owner that acquires twenty (20) percent or more of the ownership interests of condominium property on or after July 1, 2025.
- (g) *Applicability.* This section shall apply to condominium property with a minimum of twelve (12) condominium units.

Sec. 58-611. Civil penalties for violations of Section 58-602.

(a) The code compliance department shall enforce section 58-602; however, this shall not preclude other law enforcement agencies from taking any action to assure compliance with section 58-602 and all applicable laws.

(1) If a violation is observed, the enforcement officer shall be authorized to issue a notice of violation to the individual or entity. The notice will inform the violator of the nature of the violation, amount of fine for which the violator is liable, instructions and due date for paying the fine, that the violation may be appealed by requesting an administrative hearing before a special magistrate within ten days after service of the notice of violation, and that the failure to appeal the violation within ten days of service shall constitute an admission of the violation and a waiver of the right to a hearing.

(2) A violation of section 58-602 shall be subject to the following fines:

a. Penalties.

- i. If the violation is the first offense, a person or business shall receive a civil fine of \$500.00;
- ii. If the violation is the second violation within the preceding six months, a person or business shall receive a civil fine of \$1,000.00;
- iii. If the violation is the third violation within the preceding six months, a person or business shall receive a civil fine of \$2,000.00; and
- iv. If the violation is the fourth or subsequent violation within the preceding six months, a person or business shall receive a civil fine of \$5,000.00.
- v. For a failure by a condominium association or property manager to publish, post, or distribute a notice as required under section 58-602, a first offense shall be subject to a written warning. A second or subsequent offense by a condominium association or property manager shall be subject to the penalties set forth in (i) through (iv).

b. Each condominium association, property manager, and unit owner who does not receive a written notice required under section 58-602 shall be considered a separate and distinct offense subject to applicable penalties.

(3) A violator who has been served with a notice of violation must elect to either:

- a. Pay the civil fine in the manner indicated on the notice of violation; or
- b. Request an administrative hearing before a special magistrate to appeal the notice of violation, which must be requested within ten days of the service of the notice of violation.

(4) The procedures for appeal by administrative hearing of the notice of violation shall be as set forth in sections 30-72 and 30-73 of this Code. A request for the administrative hearing must be accompanied by a fee as approved by a resolution of the city commission, which shall be refunded if the named violator prevails in the appeal.

(5) If the named violator, after issuance of the notice of violation, fails to pay the civil fine, or fails to timely request an administrative hearing before a special magistrate, the special magistrate may be informed of such failure by the code enforcement officer. The failure of the named violator to appeal the decision of the code enforcement officer within

the prescribed time period shall constitute a waiver of the violator's right to an administrative hearing before the special magistrate, and shall be treated as an admission of the violation, for which fines and penalties shall be assessed accordingly.

- (6) A certified copy of an order imposing a fine may be recorded in the public records, and thereafter shall constitute a lien upon any real or personal property owned by the violator, which may be enforced in the same manner as a court judgment by the sheriffs of this state, including levy against the violator's real or personal property, but shall not be deemed to be a court judgment except for enforcement purposes. On or after the 61st day following the recording of any such lien that remains unpaid, the city may foreclose or otherwise execute upon the lien.
- (7) Any party aggrieved by a decision of a special magistrate may appeal that decision to a court of competent jurisdiction.
- (8) The special magistrate shall be prohibited from hearing the merits of the notice of violation or considering the timeliness of a request for an administrative hearing if the violator has failed to request an administrative hearing within ten days of the service of the notice of violation.
- (9) The special magistrate shall not have discretion to alter the penalties prescribed in this section.

SECTION 2. REFERENCES TO FLORIDA STATUTES.

All references to any section, chapter, or provision of the Florida Statutes in this Ordinance are made as that section, chapter, or provision may be amended from time to time.

SECTION 3. CODIFICATION.

It is the intention of the Mayor and City Commission of the City of Miami Beach, and it is hereby ordained that the provisions of this ordinance shall become and be made part of the Miami Beach City Code. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

SECTION 4. REPEALER.

All ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed.

SECTION 5. SEVERABILITY.

If any section, subsection, clause or provision of this Ordinance is held invalid, the remainder shall not be affected by such invalidity.

SECTION 6. EFFECTIVE DATE.

This Ordinance shall take effect on the ___ day of _____, ____.

PASSED and **ADOPTED** this _____ day of _____, 2025.

ATTEST:

Steven Meiner, Mayor

Rafael E. Granado, City Clerk

(Sponsored by Commissioner Alex J. Fernandez)

Underline denotes new additions

~~Strikethrough~~ denotes deletions

APPROVED AS TO
FORM AND LANGUAGE
& FOR EXECUTION

City Attorney

NK

Date

7/15/2025