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## Outcome of condo bills could affect millions

By Donna D. Berger | Guest columnist

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As Florida's 60-day legislative session prepares to kick off on Tuesday in Tallahassee, a plethora of bills that will impact millions living in common-interest-ownership communities are already being discussed.

Among the 50 bills already introduced are several that would allow community associations to collect rent directly from tenants in delinquent units as well as allow condominium boards the right to suspend common-area-use rights for delinquent owners.

Both are hot-button issues for association members frustrated with making up the deficit in revenue caused by neighbors who stopped paying long ago.

Many bills this session are also looking to require lenders to shoulder more of the financial burden being carried by paying association members as well as to force them to foreclose more quickly.

Another compelling issue in Florida is the dogged insistence of many local officials to apply costly life-safety-code requirements to buildings that have been in existence for decades without incident. Last year, Gov. Charlie Crist vetoed a sprinkler-relief bill. He was expected to allow such relief this year given the economic plight of so many associations in his state. However, Crist recently stunned many by announcing that he may once again veto any bill containing such help — a surprising move given his tight race for the U.S. Senate.

Two bills, House Bill 561 and Senate Bill 1222, would return the decision of whether or not to retrofit with sprinklers back to the people with the highest vested interest: the community's membership. These bills would also exempt buildings that are less than three stories from having to install a manual fire alarm.

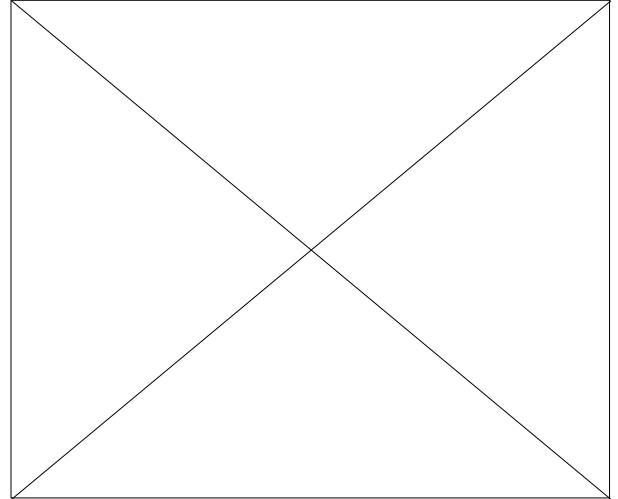
Some of the bills that deal directly with issues around delinquency in the payment of monthly assessment fees and mortgage foreclosures include:

H.B. 329. It removes the statutory cap for lenders, thereby requiring them to pay for all past-due amounts owed on a delinquent unit and allows a condominium association to collect rent directly from tenants in delinquent units and to suspend the common-area-use rights and voting rights of delinquent owners.

S.B. 1270. It allows a condominium association to suspend the common-area-use rights of delinquent owners.

S.B. 1272. With language drafted by the Community Advocacy Network, it increases a lender's statutory cap for past-due condominium assessments from the current six months to 12 months. In addition to past-due amounts, this bill would require lenders who begin foreclosure against a condominium unit or homeowners-association lot to pay to maintain and preserve the property throughout the course of such proceedings.

Some of the lender-reform bills push the pendulum a little too far in the opposite direction and will surely be defeated by the Florida banking lobby. In response to the hue and cry for reform, the banking industry has come up with a nonjudicial foreclosure proposal that will do little to assist with the huge backlog of foreclosure filings, since any such



procedure would apply only to mortgages filed after July 1, 2010. This new procedure also might very well bog down the associations' efforts to collect their own delinquencies.

Floridians need to send their lawmakers a clear message that we need as much help as possible to keep our financially struggling community associations functioning until the market resumes stability. Lenders must be forced to be good neighbors rather than relying on association members to safeguard their collateral.

Meanwhile, local city inspectors and fire marshals need to become more informed and more sympathetic to the plight of association members. No one wishes to diminish the life-safety issues, but if a reprieve on sprinkler retrofitting and other code retrofits is not granted, the economic toll on condominium residents could be catastrophic.

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