



COMMUNITY ASSOCIATION
LEADERSHIP LOBBY

ADMINISTRATIVE OFFICE
3111 STIRLING ROAD
FORT LAUDERDALE, FL 33312
800.432.7712 TOLL FREE
954.364.6012 DIRECT

WWW.CALLBP.COM
CALL@BECKER-POLIAKOFF.COM

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**VIA E-MAIL: deutch.ted.web@flsenate.gov
AND VIA FIRST CLASS MAIL**

Senator Ted Deutch
216 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1100

Re: Community Association Legislation

Dear Senator Deutch:

As you are aware, Community Association Leadership Lobby (CALL) is an educational and advocacy organization founded by the Law Firm of Becker & Poliakoff, P.A. in 2004. Its membership includes over 4,000 community associations throughout the state of Florida, including condominiums, homeowners' associations, mobile home communities and cooperatives. CALL monitors and responds to legislation emerging from Tallahassee that can significantly impact members and provides educational services that promote better association management. CALL employs a lobbyist, Travis Moore, who has worked extensively with various committees, state agencies and members of the legislature to develop and implement numerous pieces of legislation and public policy benefiting community associations.

Unfortunately, the 2009 Legislative Session ended without any significant legislation being passed that will help struggling community associations deal with the financial impact of the economic downturn that is affecting the State of Florida. Of course, lenders have been bailed out by the federal government and developers were helped out by the passage of the growth management bill (S.B. 360). However, none of the proposed legislation that was considered during this year's Legislative Session that would have helped community associations passed, except for S.B. 714, which was ultimately vetoed by Governor Crist. (Please see attached letter from Gary Poliakoff which was sent to Governor Crist regarding his veto of S.B. 714).

Some of the significant proposals that did not pass include:

- **Foreclosing Lenders' Responsibility for Past-Due Assessments.** A lender who takes title to a unit after foreclosure is limited in the amount of past due assessments that the lender must pay to the association. This limit of liability for assessments is commonly referred to as the "statutory cap". With regard to condominiums, the statutory cap is six (6) months past due assessment or one percent (1%) of the original mortgage amount, whichever is less. In a homeowners' association, it is twelve (12) months past due assessments or one percent of the original mortgage amount, whichever is less. Based on the dramatic results obtained from CALL's 2009 Florida Community Association

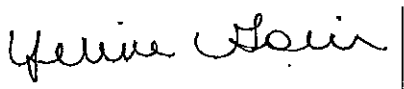
Mortgage Foreclosure Survey Report--*State of Distress: The Mortgage Foreclosure Crisis within Florida's Condominium and Homeowner Association Population*, a strong push was made during the 2009 Legislative Session to adopt reforms in the area of collecting delinquent assessments from lenders. Proposals to require lenders to complete their foreclosures within a year, or to raise the statutory cap on liability for unpaid assessments, encountered fierce resistance from lenders and did not survive the committee hearing process despite the hard work of CALL and our members on this issue. In the end, the banking lobby was successful in their efforts to defeat this legislation.

- **Insurance.** The current law (passed during the 2008 legislative session) requires condominium associations to request proof of insurance from all unit owners and allows associations to “force place” insurance if an owner does not provide the proof of insurance. Not only is the requirement that associations ask for proof of insurance administratively burdensome, it can potentially cost associations and unit owners thousands of dollars to “force place” insurance on owners who do not carry insurance on the interior of their unit. S.B. 714 would have removed these requirements from the statute, but it was vetoed by Governor Crist.
- **Bulk Buyers.** S.B. 880, which was not passed by the Legislature and therefore, was not presented to Governor Crist, included provisions dealing with bulk buyers of condominium units. The intent of this legislation was to stimulate the condominium market by encouraging purchasers to buy units in bulk. This would have especially help distressed properties with large numbers of units that were never sold by the developer. Currently, many of these units are in the foreclosure process, which ultimately gives title to the unit to the lenders who then can avoid paying the past-due assessments because of the aforementioned statutory cap. By encouraging these units to be sold to bulk purchasers, it would have put the units into the hands of persons or entities who would have paid the past due assessments and who would have begun to pay the assessments due to the association.
- **Collection of Rent from Tenants.** S.B. 880 included a provision allowing associations to collect rent directly from a tenant if the owner of the unit was delinquent in his or her assessments due to the association. This would have assisted struggling associations who are in dire need of cash flow to pay common expenses.
- **Fire Sprinkler Retrofitting.** S.B. 714 included a provision extending the deadline for condominium buildings to retrofit their buildings with fire sprinklers. However, because of the Governor’s veto, associations will be required to expend hundreds of thousands of dollars to retrofit their buildings or obtain a vote of the owners to forego retrofitting.
- **Elevators.** S.B. 714 included a provision repealing the requirement that certain high-rise buildings have a generator to power at least one public elevator. This was a recommendation of the Senate Committee on Regulated Industries. However, because of the Governor’s veto, associations will be required spend thousands of dollars to comply.

- **Manual Fire Alarm Systems.** S.B. 714 included a provision exempting one and two-story buildings with an exterior egress corridor from the manual fire alarm system requirement and the Life Safety Code. However, because of the Governor's vote, associations will be required to spend significant funds to comply with that law.


As you can see, all of these proposals that would have helped struggling associations did not pass. We urge you to ask the Speaker of the House and President of the Senate to call a special session of Legislature to (1) override the veto of S.B. 714 and (2) to pass meaningful legislation to provide immediate relief to community associations in financial crisis.

Very truly yours,



Yeline Goin
Co-Executive Director of CALL

Very truly yours,



David G. Muller
Co-Executive Director of CALL

YG/dzb

cc: Rep. Ellyn Bogdanoff
Sen. Mike Fasano
Rep. Matt Hudson
Sen. Dennis L. Jones
Sen. Jeremy Ring
Rep. Julio Robaina
Rep. Kelly Skidmore