

# South Florida Sun-Sentinel.com

## Florida condo bill headed to House vote

**If passed, it will allow associations to collect rents from tenants of delinquent owners, help forestall expensive fire safety upgrades**

Daniel Vasquez on condos

Condo columnist

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More than 60 condominium bill proposals have come and gone since lawmakers returned to work last month. And none is more important to unit owners like Dan Mason of South Florida than sweeping legislation that would, among other things, forestall requirements for new fire safety upgrade that could push condo complexes like his over the financial brink.

"Right now the temperature looks good for a bill that will postpone those expensive requirements," said Dan Mason, a condo owner and former association president of the Country Club Tower in Coral Springs, the city's biggest and oldest high-rise community.

"Nobody believes we should be without fire safety upgrades, we know health and safety is extremely important," said Mason, who estimates it would cost his community of 209 units about \$1.5 million for sprinkler retrofits — about \$7,000 in special assessments per owner. "But this is just not the time to spend millions of dollars. Associations don't even have that kind of money right now."

Right now, there is a strong chance such a bill will pass.

A Florida community association bill passed the Senate last week, and the House of Representatives could vote as soon as this week. And it is packed with provisions that seemingly offer the state's financially troubled condo associations relief in a number of ways.

For one thing, it would make it easier for associations to opt out of expensive fire sprinkler upgrades required to be done by 2014. For another, it would give condo associations more options to collect money from delinquent owners.

At one point, dozens of bills related to condo and homeowner association overhauls were pending. Now one bill stands, having grown in size with remnants of provisions from other bills that didn't survive. Here's a look at some of its key provisions:

**Delinquent owners, bulk buyers:** SB 1196, sponsored by Sen. Jeremy Ring, D-Margate, and Rep. Ellyn Bogdanoff, R-Fort Lauderdale, initially sought to empower condo associations to bar delinquent owners from common areas, such as clubhouses and pools, and to collect rent money directly from tenants in units of owners in arrears.

Those provisions remain, but others have been added. For instance, the bill now also would make it easier for bulk buyers of condos. Florida currently deems anyone who purchases more than seven units in a condominium of 70 units or more — or more than five in a condominium with less than 70 units — a "developer."



Such owners face the same legal and financial responsibilities reserved for developers that actually build condominiums, which some experts say discourage bulk buying at a time when condo unit inventories are at record high levels because buyers don't want to be responsible for construction defects and warranties, among other things. The new bill would eliminate the "developer title" for bulk buyers.

**High-rise safety upgrades:** SB 1196 now also seeks to allow associations of condo high rises to more easily postpone state-required fire safety upgrades. Florida currently requires all high-rise buildings 75-feet or higher to install fire sprinklers in all common areas and individual units by 2014. In order to postpone the requirement for individual units, associations would need a two-thirds vote from owners. If SB 1196 passes, associations would only need a majority vote -- 50 percent plus one -- to postpone costly upgrades in units and common areas.

**Foreclosures and banks:** Currently, Florida law requires banks that have foreclosed on condo units to pay past due assessment fees for those units — up to six months — or 1 percent of the mortgage value. SB 1196 would require the banks pay more — up to 12 months of past due assessments — the same amount required for bank-instigated foreclosures in homeowner communities.

"This is a big bill but it has everything that community association leaders and owners have been calling for," said Donna Berger, guest Sun Sentinel blogger and community association attorney from Katzman, Garfinkel and Berger, who helped draft SB 1196. "It will bring associations and communities what they need most — financial relief during one of the worst economic times ever."

As Mason puts it, the bill hasn't passed yet. "If it doesn't pass, it will be devastating to communities like mine and push us beyond the financial hardship we're already in."

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