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Condo Relief Act seen as 'step in right direction'

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After passing the state's House and Senate in April, the 2010 Distressed Condominium Relief Act was recently signed into law by Gov. Charlie Crist. The act's supporters expect it to provide condominium owners and associations with much-needed financial relief.

"It's certainly a step in the right direction," said Pio Ieraci, president of the Galt Mile Community Association, which represents 27 high-rise condos. "It does certainly help relieve a lot of pressure financially."

By signing the act, Crist spared condominiums from the burden of having to retrofit fire sprinkler systems, elevators and smoke detectors at a high cost to cash-strapped owners and associations. Now, associations can vote on whether they want their buildings to be retrofitted with newer safety equipment.

"It's certainly a large benefit, particularly to the taller, older buildings that were looking at significant expenses for the retrofit requirement," said attorney Robert Kaye of Kaye & Bender P.L., which represents more than 700 condo associations. "Many of them were very concerned about that because of various financial situations."

The law also permits condo boards to collect money directly from renters living in units that are delinquent, and extends from six to 12 months the amount of past-due assessments that associations can collect when lenders take title to a foreclosed unit.

"It's been a long time coming," said Donna Berger, executive director of the Community Advocacy Network, which lobbied for the bill. "It was a collaborative effort among a lot of people."

Also enacted in the law is a two-year bulk-buyer provision that allows investors to buy condominiums in bulk without being considered developers.

"[It] will certainly stimulate interest in a lot of these distressed places, particularly the newer places that were unable to sell out," Kaye said. "I think in the long run, it's probably going to hurt the individual unit owners because they're not going to [have] the ability to pursue recovery for construction defects and other improprieties of the original developer."

Kaye said the law could be useful in fixing vague insurance language, clearing up confusing contracts involving deductibles and unit owner responsibility when buying insurance and clarifying board membership requirements.

"These changes overall make the [Florida] statutes better than they were before," Kaye said. "Whether they're far-reaching and sweeping, I have my doubts, but the changes are certainly going to be helpful."

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