



CALL Alert for March 10, 2012—Legislative Session Ends Without Relief for Associations

The 2012 Legislative session ended last night without the passage of any significant legislation to help associations still trying to recover from the real estate meltdown.

The Senate failed to consider SB 680 by Sen. Bogdanoff. SB 680 was the Senate companion of HB 319 by Rep. Moraitis. These bills would have postponed costly elevator upgrades, imposed a deadline for election and recall challenges, removed the requirement for a member vote in order for condominium board members to serve two-year terms, and clarified the amounts paid by persons (banks and third party purchasers) when taking title to a foreclosed unit. The bills would have discouraged litigation and excessive collection fees and helped to prevent the unnecessary delay of foreclosed unit re-sales.

The Legislature also failed to approve HB 213/SB 1890 which would have given associations the right to move stalled mortgage foreclosure cases by using an expedited order to show cause procedure. There was an attempt to place the order to show cause language in SB 670/HB 671 relating to residential liens, but the Senate failed to consider SB 670 and the order to show language was never approved.

The one community association bill that the Legislature did pass, HB 1013 (companion bill SB 1196), is harmful to associations in that it limits the doctrine of implied warranty of fitness and merchantability or habitability associated with the construction and sale of a new home to the home itself and those items directly supporting the home. The legislation provides that no common law implied warranties will exist for "off site improvements" including roads, driveways, sidewalks, drainage area, utilities, or any other improvement not located on or under the lot on which a new home is constructed. The legislation prohibits all causes of action in law or equity based upon the doctrine of implied warranty of fitness and merchantability or habitability for offsite improvements including those that may be pending. This legislation applies to all common law implied warranties for fitness, merchantability or habitability regardless of form of ownership including homeowners' associations, condominiums, co-ops, timeshares and mobile home parks, except that it exempts statutory warranties

under Chapters 718 and 719. **A veto from Governor Scott is the only way to prevent this bill from becoming law.** The easiest way to e-mail Governor Scott is to log onto the CALL website and use the "Legislator Connect" feature on the left side of your screen. Follow the directions for sending an e-mail to the Governor, click "continue" then click "send".

The contact information for Governor Scott is: rick.scott@eog.myflorida.com

One bright spot for condominium and cooperative owners is HB 13 (companion bill SB 88) relating to sovereignty submerged lands. HB 13 will exempt multi-family docks and structures that require a submerged land lease from paying 6% sales tax on the value of a boat slip when the unit is sold, as long as the unit was homestead property.

Look for further legislative information from CALL, including additional information on contacting Governor Scott regarding vetoing HB 1013.

Thank you to all CALL members who supported our efforts this legislative session. And a special thanks to Representative Moraitis for doing the right thing on HB 319 despite much misguided opposition.

Very truly yours,

Yeline Goin Executive Director
Community Association Leadership Lobby (CALL)