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Legislative Update for Week 4 - CALL Alert for February 8, 2016

We are now almost past the halfway point of the 2016 Florida Legislative Session. There was a substantial amount of activity last week with some of the major legislation that has been filed that will impact community associations.

First, **SB 1122** by Senator Hays, Relating to Homeowners' Associations, was considered by the Senate Regulated Industries Committee. The bill was voted "unfavorably" by the Committee. This is a very unusual occurrence, as bills are rarely voted down in committee. The bill would have required all homeowners' association to pay \$2.00 per parcel for the purpose of authorizing the Department of Business and Professional Regulation to regulate homeowners' association. The bill would have also required mandatory binding arbitration of certain HOA disputes, including disputes involving covenant enforcement, assessments, and official records; increased the penalties for willful failure to withhold official records; and changed the triggers related to when a developer must turn over control of the association to the parcel owners. The primary concern raised by the Senators was the \$2.00 per door "tax" on homeowners. The vote was generally along party lines, with a couple of exceptions. The committee members voting "no" were Senators Bradley, Negron, Flores, Bean, Stargel, and Abruzzo (the sold Democratic member who voted "no"). The committee members voting "yes" were Senators Sachs, Margolis, Braynon and Richter (the sole Republican who voted "yes"). The unfavorable vote by the Senate

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<u>Upcoming Classes</u> <u>& Events</u> Regulated Industries Committee means that the issue is effectively "dead" for this session.

Next, **HB 203** by Representative Woods, Relating to Residential Properties, the "estoppel bill" was approved by the Judiciary Committee (its last House committee of reference), after Rep. Woods agreed to compromise language with the various association and management company stakeholders that were originally opposed to the bill. While the current bill continues to include a "cap" on the amount that can be charged for estoppel certificates, it removes the "pay at close" provision that would have prohibited an association collecting the fee at the time the certificate was prepared. The bill also removes the provision from the current law which allows a title company to request a refund from the association if the closing does not occur. The Senate companion bill, SB 722, still needs to be approved by two more Senate committees (Judiciary and Fiscal Policy) before it can move to a vote on the Senate floor (unless the bill is removed from the committees). So while the bill is still alive, it is having difficulty in the Senate.

Lastly, **HB 1357**, Relating to Community Associations, by Representative LaRosa, was approved in its second committee of reference, House Business and Professions Subcommittee. The bill was amended, and I have posted an updated summary of the current bill here. Significantly, the amended bill requires condominium associations with 500 or more units to post many of its official records on a website (the previous bill had the threshold number at 7500 condominium associations. The bill still requires HOAs with 7500 or more parcels to post certain official records on its website). The revised bill also includes provisions changing the current procedure for collections and foreclosures, which we believe will unreasonably slow down the collection process and add administrative costs to the process. I spoke against the bill in the Committee, as did other stakeholders. Unless the bill is significantly amended, CALL will remain opposed to the bill. It is possible that the bill will be heard this week in Judiciary, the last committee of reference in the House.

For a complete list of the main bills that CALL is tracking, including the status, click here for our 2016 CALL Bill Report.

Very truly yours,



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