



Florida Legislative Session 2013—Week 1 Update—CALL Alert for March 8, 2013

Week 1 of the 2013 Legislative Session has now ended. There was quite a bit of activity with the bills that CALL has been tracking. Here are the highlights:

HB 73 (Rep. Moraitis), Relating to Residential Properties. This bill passed its second committee of reference (Business & Professional Regulation Subcommittee) unanimously. There was one amendment proposed by Rep. Moraitis to reduce the unit threshold in a condominium for a report of cash receipts and expenditures from 75 units to 50 units. This makes the Condominium Act consistent with the Cooperative Act and Homeowners' Association Act. This issue is also addressed in HB 1207/SB 1746. The companion bill to HB 73 is SB 436 by Sen. Altman and it is scheduled to be heard in its second committee, the Senate Judiciary Committee, on Tuesday, March 12, 2013 at 2:00 p.m.

HB 87 (Rep. Passidomo), Relating to Mortgage Foreclosures. This bill also passed its second committee of reference (Justice Appropriations Subcommittee) by a vote of 9-2. I testified on behalf of CALL in support of the bill and in particular, the order to show cause provision that will give associations an important tool to speed up the foreclosure process.

HB 575 (Rep. Passidomo) and SB 436 (Sen. Negron), Design Professionals. These bills continue to be approved by their respective committees of reference. CALL has been working with a group of other interested parties in opposing the bills, including: Associated Builders & Contractors of Florida; Community Associations Institute (CAI); Florida Fire Sprinkler Association; Florida Home Builders Association; Florida Justice Association; Florida's Associated General Contractors, Florida Transportation Builders Association, and the Real Property Section of the Florida Bar. CALL and these groups have met with the bill sponsors and with the various committee members. So even if the bills end up passing, they may ultimately be amended to ameliorate some of the problems with the bills. At the Senate committee hearing Sen. Negron indicated that he did not intend his bill to apply to persons not a party to the contract. That means that

he does not intend for it to apply to those cases where the association takes control after turnover and sues the architect or engineer for construction defects. He also indicated that he would be open to other amendments. So stay tuned....CALL will continue to work with our coalition of stakeholders on these bills.

SB 696 (Sen. Stargel), Relating to Timeshares. This bill passed unanimously in Senate Regulated Industries. This bill will clarify that timeshare condominium associations do not have to comply with the election requirements in the Condominium Act.

HB 573 (Rep. Hooper), Relating to Manufactured and Mobile Homes. This bill, as originally filed, required Citizens Property Insurance Corporation to provide coverage to mobile homes and related structures. At the House Insurance and Banking Subcommittee hearing this week, the bill was changed to provide that Citizens must offer coverage on mobile homes or manufactured homes for a minimum insured value of at least \$3,000.

New Bills

A number of additional bills were filed after my last CALL Alert. Here are a couple of new bills that CALL is tracking:

SB 7108 (Banking and Insurance Committee), Relating to Property Insurance. SB 7108, and HB 835 in the House, are the bills that will have the most significant impact on property insurance for consumers, including individual unit policies and association policies. SB 7108 was filed on March 4 and was heard on March 7 in the Senate Banking and Insurance Committee. The original bill would have prohibited Citizens from insuring homes valued at more than \$600,000. Per amendments by Sen. Margolis approved on Thursday, the maximum home value for Citizens would be \$1,000,000 and would be reduced by \$100,000 each year for the next five years. The overriding purpose of SB 7018 is to reduce the overall risk to Citizens, which essentially means that communities in coastal communities will likely continue to see increases in their insurance policies.

HB 1339 (Rep. Moraitis), Relating to Residential Properties. This bill includes a number of changes that will affect condominiums, cooperatives, and homeowners' associations, including: (1) permits the association to enter an abandoned unit and take certain action such as making repairs, turning on the power, etc.; (2) provides for criteria to determine whether a unit is abandoned; (3) provides that the association may petition a court of competent jurisdiction for the appointment of a receiver and may rent an abandoned unit for the benefit of the association to offset the association's costs and expenses of maintaining, preserving, and protecting the unit and the adjoining common elements; (4) provides that a unit owner is jointly and severally liable with the previous unit owner for all unpaid assessments, late fees, interest, costs, and reasonable

attorney fees (the current law only refers to “assessments”); (5) provides that the liability of a first mortgagee for the unpaid assessments, interest, late fees, costs, and attorney’s fees, and any other expense is limited to 12 months past due assessments or 1% of the original mortgage debt, whichever is less; (6) strikes the word “superior” from the section involving an association’s liability for assessments due to another association; and (7) makes similar changes to the Cooperative Act and Homeowners’ Association Act.

Have a wonderful weekend and I will update you again next week.

Very Truly Yours,

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Please visit our "CALL" Website at www.callbp.com to view the full text of the bills "CALL" is tracking.