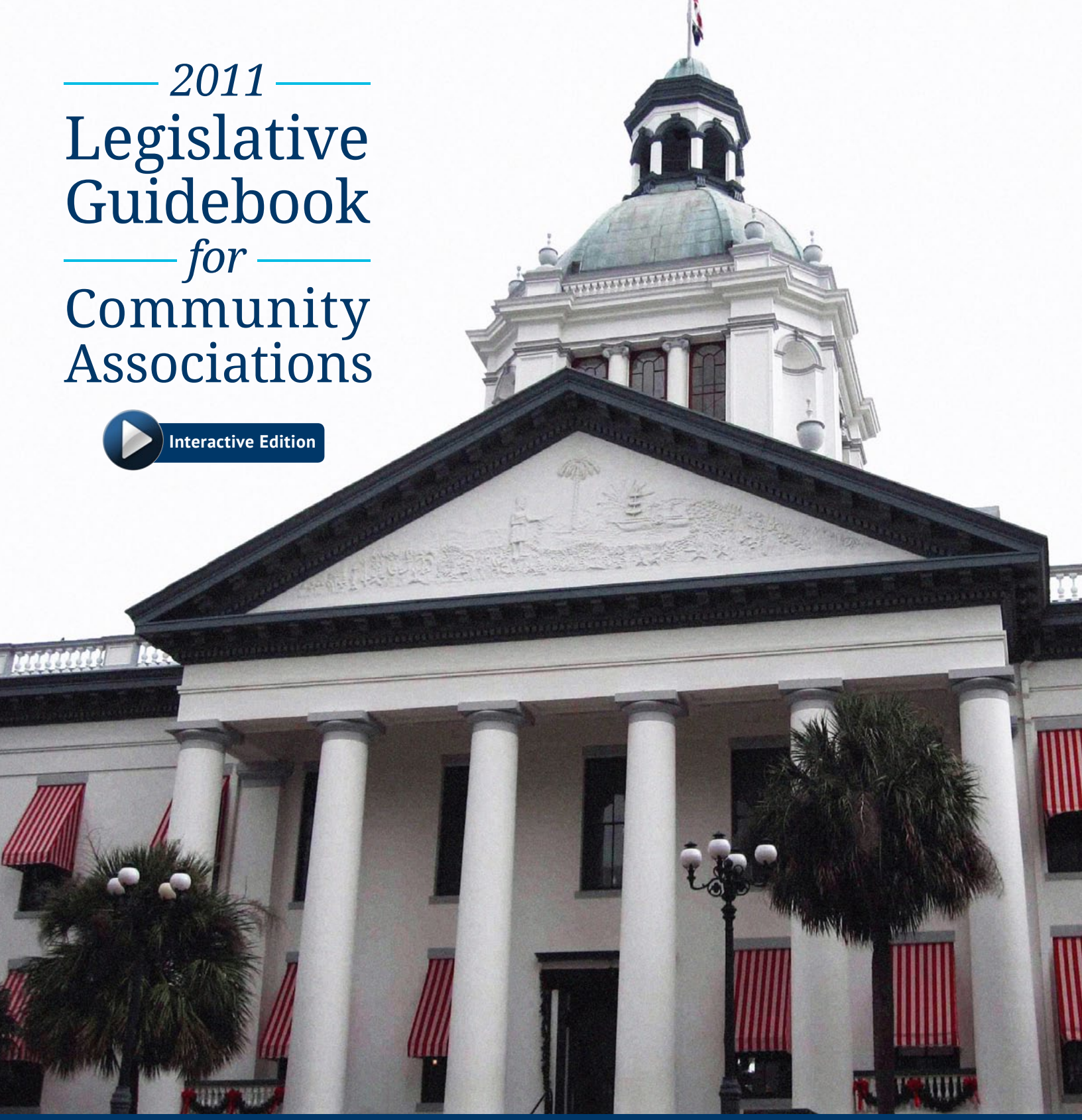
2011 Legislative Guidebook for Community Associations

Interactive Edition



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George Moraitis


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Board Member Basics


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We are proud to add our 2011 Legislative Guidebook for Community Associations to our ongoing Law and Learning Guidebook Series.

Whether we are discussing what is needed to prepare your community for a natural disaster, recover from a man-made disaster like the real estate meltdown or arm you with the information you need to understand and implement changes in the law each year which impact your association's operations, Katzman Garfinkel & Berger has designed a guidebook with your community's needs in mind.

We were grateful to receive such tremendous feedback on our legislative guidebook last year and listened to all of your suggestions. The 2011 Legislative Guidebook is categorized by community type so you can turn directly to the section pertaining to your particular type of community, whether it is a condominium, homeowners' association, cooperative, timeshare or mobile home park, to see all the new legislation that impacts your community.

Where the legislative changes require modification in your operations (such as the new statutory demand for rent letter to be used by condominiums, cooperatives and HOA's to initiate the demand for rent process) we have included that form in our Guidebook for your easy reference and use. You will also find a useful comparison chart outlining how each different type of community can suspend use rights and levy fines.

Our Guidebook explores not only the legislative changes that were passed but the broader issues that impact our association clients such as the State Budget and the annual fate of the Condominium Trust Fund.

Perhaps most exciting is this year's multimedia additions of video from both KG&B Managing Partner, Donna DiMaggio Berger as well as Representative George Moraitis, the Sponsor of HB 1195, and the inclusion of footage from our Community Advocacy Network's 2011 Legislative Roundtable and our panel of legislators. Bill and Susan Raphan, our newest Law and Learning Center Educators, can also be found in this interactive Guidebook answering some frequently asked questions pertaining to the 2011 legislative changes and Guidebook readers with still more questions can continue the dialogue with us by emailing us at: guidebookquestions@kgblawfirm.com.

We hope you are as excited to use this new Guidebook as we were to create it for you. Let's get started.....

Table of Contents

SECTION 1: 2011 Summary of Changes to Community Association Laws

Table of Contents

Representative George Moraitis
(R-Ft. Lauderdale)

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SECTION 1:
2011 Summary of changes to community association laws

This session, community associations were fortunate to find a new champion for their issues, Representative George Moraitis from Fort Lauderdale. Despite being a freshman, Rep. Moraitis guided legislation through the process like a veteran. He fought for changes that aid associations in dealing with the day-to-day challenges they face in their effort to ensure a good quality of life in their communities. In addition to an analysis of his community association legislation, HB 1195, this section contains "KG&B Notes" regarding the legal changes impacting community associations.

I. CONDOMINIUM ASSOCIATIONS

HOUSE BILL 1195 (HB 1195):

*With an effective date of **July 1, 2011**, HB 1195 provides the following changes to condominium associations:*

FIRE SAFETY

- Manual Fire Alarm Systems:

  Condominiums – §633.0215(14)

  - Condominium buildings that are less than four (4) stories and have an exterior walkway providing a means of entry to or exit from the building are exempt from installing a manual fire alarm system in accordance with section 9.6 of the Life Safety Code. This change conforms two (2) separate laws passed last year that had slightly different language relating to this policy.

OFFICIAL RECORDS

- Personal Information:

  Condominiums – §718.111(12)(a)(7) &718.111(12)(c)(5)

- In addition to e-mail addresses, condominium associations are now required to maintain fax numbers for those unit owners consenting to receive notice from the association by electronic transmission (by e-mail or fax).

- E-mail addresses and fax numbers are not accessible to unit owners unless they are voluntarily provided by the unit owner for purposes of receiving notice by electronic transmission, or unless the unit owner consents in writing to the disclosure.

- Unit owners may consent in writing to the disclosure of otherwise protected personal information, such as fax numbers, emergency contact information, e-mail addresses and telephone numbers, etc.

- Associations are protected from liability for the ***inadvertent*** disclosure of a unit owner's protected personal information, if such information is included in an official record of the association and is voluntarily provided by a unit owner and not requested by the association.

➢ *KG&B NOTES:*

- *These amendments clarify an association's ability to create a unit owner directory which may include the following information:*

  - *unit owner's name;*
  - *unit designation;*
  - *mailing address;*
  - *property address;*
  - *any address required for notice;*
  - *e-mail address, **if the owner has provided written consent**;*
  - *fax number, **if the unit owner has provided written consent**;*
  - *phone number, **if the unit owner has provided written consent**; and*
  - *any other address, **if the unit owner has provided written consent**.*

- *While the amendment requires unit owner consent in writing to the disclosure of personal information, it does not provide guidance for obtaining such consent. However, seeking written consent for disclosure of personal information does not have to be a daunting task. Some simple and inexpensive options for associations include enclosing consent forms in:*

  - *future screening applications for new unit owners;*
  - *welcome packages;*
  - *new purchasers' written applications; and*
  - *Annual Meeting/Election packages.*

- Personnel Records:

  Condominiums – §718.111(12)(c)(3)

  - Personnel Records of association or management company employees, including but not limited to, disciplinary, payroll, health, and insurance records, are not accessible to unit owners. This amendment adds management company employee personnel records to the list of official records that are not accessible to unit owners.

  - The following records are specifically excluded from the statutory definition of "personnel records," and are therefore accessible to unit owners:

    - written employment agreements with an association employee or management company; or
    - budgetary or financial records indicating the compensation paid to an association employee.

BOARD MEETINGS

- Closed Board Meetings:

  Condominiums – §718.112(2)(c)(3)

  - Unit owners may now be excluded from board meetings held for the purpose of discussing personnel matters, even if the association's attorney is not present. These meetings still require proper notice.

  - Previously, unit owners could only be excluded from board meetings or committee meetings conducted in the presence of the association's attorney for the purpose of seeking or rendering legal advice relating to proposed or pending litigation.

BOARD OF DIRECTORS/ELECTIONS

Condominiums – §718.112(2)(d)

- Director Eligibility:

  - In order to have his or her name appear on the ballot as a proper candidate for election, a unit owner must submit a timely notice of intent to run, and must be eligible to serve on the board of directors at the time of the deadline for submitting such notice of intent (forty (40) days prior to the election).

➢ *KG&B NOTES:*

- *Prior to this amendment, the Division's interpretation of the law was that board eligibility was determined at the time of the election meeting. This interpretation had the effect of allowing a unit owner who is more than*

ninety (90) days delinquent in the payment of a monetary obligation to the association to timely submit his or her intent to become a candidate, and have his or her name placed on the ballot. The amendment clarifies that if a unit owner is not eligible at the deadline for submission of the intent to become a candidate, his or her name cannot be placed on the ballot.

- Terms and Vacancies:
  - All board members' terms of office expire at the association's next annual meeting, except where the staggered term of a board member does not expire until a later annual meeting or where all board members' terms would expire and there are no candidates for election.
  - The new amendments clarify that if all board members' terms expire at the annual meeting, and there are no eligible candidates running for election, the existing board members retain their seats on the board. This is the case even if such board members did not submit a timely intent to become a candidate.
  - Where a board member's term expires at the annual meeting, the amendment provides that such board member may submit his or her intent to run and stand for re-election *unless prohibited by the association's bylaws.*
  - When no election is required by law (when the number of board members whose terms expire at the annual meeting equals or exceeds the number of candidates for election to those seats), the candidates become members of the board effective upon the adjournment of the annual meeting.
  - Finally, unless the bylaws of the association provide otherwise, any vacancies remaining on the board following the election of directors shall be filled by the affirmative vote of a majority of the directors making up the newly constituted board, even if the directors constitute less than a quorum or there is only one (1) director.

➢ *KG&B NOTES:*

- *The clarification provided by the amendment regarding the ability of board members to stand for re-election unless prohibited by the bylaws suggests that an association may impose and enforce board member term limits as set forth in the bylaws.*

- Board Member Certification:
  - Board Member Certification within ninety (90) days after election or appointment remains a requirement for all newly elected or appointed members of the board. Two (2) options remain available for board member compliance with the certification requirement, which include:

    (1) Certifying in writing to the secretary of the association that he or she has read the association's

governing documents, will work to uphold such documents and policies to the best of his or her ability, and will faithfully discharge his or her fiduciary responsibility to the association's members; or

(2) Submitting a certificate of having satisfactorily completed the educational curriculum administered by a Division-approved condominium education provider.

- Newly elected or appointed board members are now permitted to submit a certificate of having satisfactorily completed the educational curriculum administered by a Division-approved condominium education provider within one (1) year before or ninety (90) days after the date of election or appointment. Such certification must be submitted within ninety (90) days after election or appointment to the board.

- A written certification or educational certificate remains valid and does not need to be resubmitted as long as the director serves on the board without interruption.

➢ *KG&B NOTES:*

- *Currently associations are required to maintatin these records for five (5) years.*

HURRICANE PROTECTION

Condominiums – §718.113(5)

- In addition to hurricane shutters, an association may install impact glass or other code-compliant windows or other hurricane protection that complies with or exceeds the applicable building code with the approval of a majority of the voting interests.

- Such majority approval of the voting interests is not required if the maintenance, repair and replacement of the hurricane shutters, impact glass or other code-compliant windows are the responsibility of the association pursuant to the declaration.

- Additionally, the new amendments provide that where hurricane protection or laminated glass or window film architecturally designed to function as hurricane protection which complies with or exceeds the applicable building code has previously been installed, the association may not install hurricane shutters, hurricane protection, impact glass or other code-compliant windows except upon approval by a majority of the voting interests.

➢ *KG&B NOTES:*

- *Prior to the new amendments, if hurricane protection, laminated glass or window film architecturally designed to function as hurricane protection had previously been installed, which met or exceeded the applicable building code, the association could not install hurricane shutters or other hurricane protection. The new amendment removes this restriction and allows an association to upgrade to hurricane shutters, impact glass, or other code-compliant windows with majority approval of the total voting interests.*

ASSOCIATION POWERS

Condominiums – §718.114

- Associations may enter into agreements, acquire leaseholds, memberships, and other possessory or use interests in lands or facilities such as country clubs, golf courses, marinas, and other recreational facilities, provided that such lands and facilities are intended for the enjoyment, recreation or other use or benefit of the unit owners, with the vote or written consent of a majority of the total voting interests, or as authorized by the declaration for approval of material alterations.

ASSESSMENTS AND COLLECTION

- Foreclosure of Units Governed by Both Master and Sub Associations:

Condominiums – §718.116(1)(b)(2)

- When an association or its successor or assignee acquires title to a unit as a result of foreclosing its lien for unpaid assessments, the association is not liable for any unpaid assessments, late fees, interest or reasonable attorneys' fees and costs that came due prior to the association's acquisition of title in favor of any other association as defined in Chapters 718 or 720 that holds a superior lien.

➢ *KG&B NOTES:*

- *In effect, this means that a sub association (or its successors and assigns) which acquires title to a unit through foreclosure of its lien for assessments will not be liable to the master association for unpaid assessments, fees, interest or attorney's fees and costs that came due prior to taking title. This is intended to address situations where a sub association takes title to a unit upon which the master association had also filed a claim of lien.*

- *In such situations, the sub association will not be responsible to the master association for any past due amounts. However, the master association retains the right to make a claim against the prior owner for the past due amounts.*

- Demand-for-Rent:

Condominiums – §718.116(11)

- The amendment replaces the term "future monetary obligations" with the term "subsequent rental payments." This clarifies that tenants of delinquent owners must pay the *entire amount* of their rental payments to the association until the owner's past due monetary obligation to the association is paid in full.

- Specific language is now provided for use by the association when issuing notice to the tenant of the demand-

for-rent. The amendment requires that this language is substantially followed. ***See Appendix I for Demand for Rent language.***

- The tenant must continue to make his or her rent payments to the association until the association releases the tenant or the tenant discontinues the tenancy.

- The tenant is immune from any claim by the landlord or unit owner related to the rent amounts timely paid to the association after the association has made a written demand-for-rent.

- The association retains the right to evict tenants who do not pay rent pursuant to a written demand. The new amendment clarifies that the association must issue a written demand-for-rent letter to the tenant before the association may begin the eviction process.

- The requirement that tenants must have acted in "good faith" to be immune from landlord and unit owner claims relating to rents paid to the association following receipt of the written demand is eliminated.

- Language previously providing that tenants are not responsible for increases in the amount of monetary obligations due unless the association provides ten (10) days' written notice has been deleted from the statute. This language is unnecessary now that the tenant's obligation to pay the association the entire amount of the monthly rent due under the lease until the unit owner's monetary obligation to the association is paid in full has been clarified.

➢ *KG&B NOTES:*

- *Previously, the law was subject to the interpretation that the tenant only had to pay future monetary obligations of the owner, or the assessments going forward, and the association could not apply the rent to the owner's past due balance. The statutory amendment clarifies that following the association's written demand-for-rent, the tenant must remit the full amount of all rental payments to the association until the delinquent unit owner's monetary obligation to the association is paid in full or until the tenancy is discontinued.*

SUSPENSION OF USE RIGHTS & IMPOSITION OF FINES

Condominiums – §718.303(4), (5), & (6)

For Violations of the Association's Governing Documents:

- *Suspensions* – Upon at least fourteen (14) days' written notice and an opportunity for hearing, an association may suspend for a reasonable period of time the right of a unit owner, a unit owner's tenant, guest or invitee to use the common elements, common facilities or any other association property for violations of the associations' governing documents, including violations of the declaration, bylaws or reasonable rules and regulations of the association.

- *Fines* - The association's authority to levy reasonable fines for the failure of the unit owner, occupant, licensee or invitee to comply with the provisions of the declaration, bylaws or reasonable rules and regulations of the association remains. Before a fine may be imposed, at least fourteen (14) days' written notice and opportunity for hearing must be provided by the association.

  A fine still cannot become a lien against the unit, and may not exceed one hundred ($100.00) dollars per violation; or one thousand ($1,000.00) dollars in the aggregate.

- For Delinquency:

  - *Suspension of Use Rights –*

    - Neither a fourteen (14) day notice nor an opportunity for hearing is required before suspending a unit owner's common element use rights for delinquency.

    - If a unit owner is more than ninety (90) days delinquent in paying any monetary obligation due to the association, the association may suspend the right of the unit owner or the unit's occupant, licensee or invitee to use the common elements, common facilities or any other association property until the monetary obligation is paid in full.

    - Suspension of use rights does not apply to limited common elements intended for use only by the affected unit, common elements needed to access the unit, utility services provided to the unit, parking spaces or elevators.

    - Such suspension must be approved at a properly noticed board meeting. Once a suspension of use rights is approved, the owner (including any tenants, occupants, guests, or invitees) must be given notice of the suspension by either mail or hand delivery.

  - *Suspension of Voting Rights –*

    - Condominium associations may suspend the voting rights of a unit or member due to nonpayment of any monetary obligation owed to the association which is more than ninety (90) days delinquent.

    - The suspension of a voting right prevents that interest from being considered for any purpose, including a quorum, an election, or the number of votes required to approve an action pursuant to statute or the association's governing documents.

    - Suspension of voting rights must be approved at a properly noticed board meeting. Once a suspension of voting rights is approved, the member must be given notice of the suspension by either mail or hand delivery.

TERMINATION OF CONDOMINIUM

Condominiums – §718.117(2)

- *Where the improvements have been totally destroyed or demolished,* a condominium that includes units and timeshare estates may be terminated pursuant to a plan of termination proposed by a unit owner upon the filing of a petition in court seeking equitable relief. Within ten (10) days after filing the petition, the petitioner must record the proposed plan of termination and mail a copy of the petition to:
    - each member of the board of directors and the registered agent of the association;
    - the managing entity, as defined in s. 721.05, F.S.;
    - each unit owner and each timeshare estate owner; and
    - any holder of a recorded mortgage lien affecting a unit or timeshare estate.
- Any of the above parties may intervene in the proceedings to contest the proposed plan of termination.
    - If a party intervenes within forty-five (45) days after the filing of the petition to contest the proposed plan, the plan may not be implemented until a final judgment of the court has been entered finding that the plan is fair and reasonable and authorizing its implementation.
    - If no party intervenes within forty-five (45) days after the filing of the petition, the petitioner may move the court to enter a final judgment authorizing the implementation of the plan of termination.
- A condominium may now be terminated for all or a portion of the condominium property pursuant to a plan of termination approved by at least eighty (80%) percent of the total voting interests if no more than ten (10%) percent of the total voting interests of the condominium have rejected the plan by vote or written objection. Prior to this amendment, the law did not reference the termination of only a portion of the condominium property.
- A plan for partial termination is not an amendment subject to s. 718.110(4) (requiring one hundred (100%) percent approval of unit owners and record lienholders), provided that the ownership share of the common elements of a surviving unit in the condominium remains in the same proportion to the surviving units as it was before the partial termination.
    - In effect, the amendment allows the partial termination of a condominium with less than unanimous approval of the unit owners and record lienholders.
- The plan for partial termination **must**:
    - Identify the units that survive the partial termination; and
    - Provide that the surviving units remain under the condominium form of ownership pursuant to an amendment to the declaration of condominium or an amended and restated declaration.

- In a partial termination, title to the surviving units and common elements that remain part of the condominium property specified in the plan of termination remain vested in the ownership shown in the public records and *do not* vest in the termination trustee.

- Other requirements pertaining to partial termination include the following:

  - The aggregate values of the units and common elements that are being terminated must be separately determined;

  - The plan of termination must specify the allocation of the proceeds of sale for the units and common elements;

  - Liens encumbering terminated units transfer to the proceeds of sale of that portion of the condominium property being terminated attributable to each unit;

  - The association may continue as the condominium association for the property that remains after the partial termination.

➢ *KG&B NOTES:*

- *The termination or partial termination of a condominium is a complex and detailed process that should not be undertaken lightly. Associations are strongly encouraged to consult with legal counsel prior to and throughout the process of termination.*

DISTRESSED CONDOMINIUM RELIEF ACT

Condominiums – §§718.703 - 718.707

- Definitions –

  - The terms "*bulk assignee*" and "*bulk buyer*" are amended, and further differences between the two (2) classifications are established by the amendment.

    - A *bulk assignee* is a person who is not a *bulk buyer* and who:

      - acquires more than seven (7) parcels in a single condominium; and
      - receives an assignment of any developer rights (other than those pertaining to a *bulk buyer*) by a written instrument recorded as part of or as an exhibit to the deed, by a separate instrument recorded in the public records of the county in which the condominium is located, or pursuant to a final judgment or certificate of title issued at a foreclosure sale.

- A mortgagee or its assignee does not become a *bulk assignee* or developer if it acquires condominium units and receives an assignment of some or all of the developer rights unless the mortgagee or its assignee exercises any of the developer rights other than those contained in the statute, pertaining to *bulk buyers.*

- A *bulk buyer* is one who acquires more than seven (7) parcels in a single condominium, but *does not* receive an assignment of any developer rights, or receives only some or all of certain enumerated rights.

- Developer Rights

  - A *bulk assignee* is deemed to have assumed the obligations of the developer when it acquires title to the units, and continuously thereafter.

  - However, a *bulk assignee* is not liable for the warranties of the developer under s. 718.203(1) or s. 718.618, except as expressly provided by the *bulk assignee* in a prospectus, offering circular, or the contract for purchase and sale executed with a purchaser, or for design, construction, development, or repair work performed by or on behalf of the *bulk assignee*.

  - The assignment of developer rights may now be made by a mortgagee or assignee that has acquired title to the units and received an assignment of rights, or by the court acting on behalf of the developer or the previous *bulk assignee,* if such developer rights are held by the predecessor in title to the *bulk assignee.*

  - If more than one (1) acquirer of condominium parcels in the same condominium receives an assignment of developer rights in addition to those rights described in s. 718.703(2), the *bulk assignee* is the acquirer whose assignment is recorded first in the public records of the county in which the condominium is located.

  - Any subsequent purported *bulk assignee* may still qualify as a *bulk buyer*.

- Transfer of Control

  - If at the time the *bulk assignee* acquires title to the units and receives an assignment of developer rights, the developer has not relinquished control of the board of administration, then a condominium parcel acquired by the *bulk assignee* is not deemed to be conveyed to a purchaser or owned by an owner other than the developer until the condominium parcel is conveyed to an owner who is not a *bulk assignee*.

  - If a *bulk assignee* relinquishes control of the board of administration, the *bulk assignee* is required to deliver the items required in s. 718.301(4). However, the *bulk assignee* is not required to deliver the items and documents it does not possess, if those items were or should have been in existence before the *bulk assignee* acquired the units.

- Disclosures
  - Before offering more than seven (7) units in a single condominium for sale or lease for a term exceeding five (5) years, a *bulk assignee* or *bulk buyer* must file the statutorily required disclosure documents and provide a prospective purchaser or tenant with such documents.
  - *Bulk assignees* and *bulk buyers* must include required disclosures in purchase contracts if certain financial information is not available despite good faith efforts by the *bulk assignee* or *bulk buyer* to obtain it.
  - *Bulk assignees* and *bulk buyers* are now exempt from the filing and disclosure requirements of the statute if *all* of the units owned are offered and conveyed to a *single purchaser in a single transaction.*
- Times for Classification
  - A person acquiring condominium parcels may not be classified as a *bulk assignee* or *bulk buyer* unless the condominium parcels were acquired on or after July 1, 2010, but before July 1, 2012.

II. HOMEOWNERS' ASSOCIATIONS

A. HOUSE BILL 1195 (HB 1195):

With an effective date of July 1, 2011, HB 1195 provides the following changes to homeowners' associations:

BOARD MEETINGS

- Right to Speak at Board Meetings:

  Homeowners' Associations – §720.303(2)(b)

  - Members are now entitled to speak at all board meetings and may speak on any designated item. Under the previous law, members were only allowed to speak for at least three (3) minutes, and only on items placed on the agenda by petition of the voting interests.

OFFICIAL RECORDS

- Access to Official Records:

  Homeowners' Associations – §720.303(5)(c)

- "Personnel Records" of association employees, including disciplinary, payroll, health, and insurance records are not accessible to unit owners.

- The following records are specifically excluded from the statutory definition of "personnel records," and are therefore accessible to unit owners:

  - written employment agreements with an association employee; or
  - budgetary or financial records indicating the compensation paid to an association employee.

- Owners' fax numbers are now included as personal information that is not accessible to other owners. However, the amendment provides that an owner may consent in writing to the disclosure of protected information such as e-mail addresses, fax numbers, emergency contact information, etc.

- Associations are protected from liability for the ***inadvertent*** disclosure of an owner's protected personal information, if such information is included in an official record of the association and is voluntarily provided by the owner and not requested by the association.

SUSPENSION OF RIGHTS & IMPOSITION OF FINES

Homeowners' Associations – §720.305

For Violations of the Governing Documents:

- *Suspensions* – An association may suspend the right of a member, or a member's tenant, guest or invitee for a reasonable period of time to use the common areas and facilities for the failure of the owner of the parcel or its occupant, licensee or invitee to comply with any provision of the declaration, bylaws or reasonable rules and regulations of the association.

- *Fines* – An association may levy reasonable fines against any member or any member's tenant, guest or invitee for the failure of the owner of the parcel or its occupant, licensee, or invitee to comply with any provision of the declaration, bylaws or reasonable rules and regulations of the association.

- Basic fining provisions pertaining to homeowners' associations remain the same, including:

  - A reasonable fine may be levied of up to one hundred ($100.00) dollars per violation; and a fine may be levied for each day of a continuing violation, with a single notice and opportunity for hearing.

  - A fine may not exceed one thousand ($1,000.00) dollars in the aggregate, unless otherwise provided in the governing documents.

  - A fine of less than one thousand ($1,000.00) dollars cannot become a lien against the parcel.

- Fines or suspensions continue to require at least fourteen (14) days' notice to the person sought to be fined or suspended, and an opportunity for hearing.

- For Delinquency:

  - *Suspension of Use Rights–*

    - Neither a fourteen (14) day notice nor an opportunity for hearing is required before suspending an owner's common area use rights for delinquency.

    - If an owner is more than ninety (90) days delinquent in paying any monetary obligation due to the association, the association may suspend the right of the owner or the owner's tenant, guest or invitee to use the common areas and facilities until the monetary obligation is paid in full.

    - Suspension of use rights does not apply to that portion of the common areas used to provide access or utility services to the parcel, and does not impair the right of an owner or tenant to have vehicular and pedestrian ingress and egress from the parcel, including but not limited to, the right to park.

    - Such suspension must be approved at a properly noticed board meeting. Once a suspension of use rights is approved, the owner (including any tenants, occupants, guests, or invitees) must be given notice of the suspension by either mail or hand delivery.

  - *Suspension of Voting Rights -*

    - Homeowners' associations may suspend the voting rights of a parcel or member due to nonpayment of any monetary obligation owed to the association which is more than ninety (90) days delinquent. This authority is now provided by statute, and the requirement that such authority be provided by the governing documents is deleted.

    - The suspension of a voting right prevents that interest from being considered for any purpose, including a quorum, an election, or the approval an action pursuant to statute or the association's governing documents.

    - Suspension of voting rights must be approved at a properly noticed board meeting. Once a suspension of voting rights is approved, the member must be given notice of the suspension by either mail or hand delivery.

BOARD OF DIRECTORS/ELECTIONS

- Board Eligibility:

  Homeowners' Associations – §720.306

- Homeowners' associations now have the following restrictions on board eligibility:
  - A person who is delinquent in the payment of any fee, fine, or other monetary obligation to the association for more than ninety (90) days is not eligible for board membership.
  - A person who has been convicted of a felony in Florida or in any United States District or Territorial Court, or has been convicted of any offense in another jurisdiction that would be considered a felony if committed in Florida, is not eligible for board membership unless the felon's civil rights have been restored for at least five (5) years as of the date on which such person seeks election to the board.
- Any action that has been taken by a board with a member who is later discovered to have been ineligible for board membership as a result of the above restrictions will remain valid.

ASSESSMENTS AND COLLECTION

- Foreclosure of Parcels Governed by Both Master and Sub Associations:

  Homeowners' Associations - §720.3085

  - A homeowners' association or its successor or assignee that acquires title to a parcel via foreclosure of its lien for past due assessments, is not liable for any unpaid assessments, late fees, interest or reasonable attorneys' fees and costs that came due prior to the association's acquisition of title in favor of any other association as defined in Chapters 718 or 720 that holds a superior lien.

➢ ***KG&B NOTES:***

- *In effect, this means that a sub association (or its successors and assigns) which acquires title to a parcel through foreclosure of a lien for assessments will not be liable to the master association for unpaid assessments, fees, interest or attorney's fees and costs that came due prior to taking title. This is intended to address situations where a sub association takes title to a unit upon which the master association had also filed a claim of lien.*
- *In such situations, the sub association will not be responsible to the master association for any past due amounts, and the master association retains the right to make a claim against the prior owner for the past due amounts.*

- Demand-for-Rent:

  Homeowners' Associations – §720.3085

  - The amendment replaces the term "future monetary obligations" with the term "subsequent rental payments." This clarifies that tenants of delinquent owners must pay the *entire amount* of their rental payment to the association until the owner's past due monetary obligation to the association is paid in full.

- Specific language is now provided for use by the association when issuing notice to the tenant of the demand-for-rent. The amendment requires that this language is substantially followed. ***See Appendix II for Demand for Rent language.***

- The tenant must continue to make his or her rent payments to the association until the association releases the tenant or the tenant discontinues the tenancy.

- The tenant is immune from any claim by the landlord or parcel owner related to the rent amounts timely paid to the association after the association has made a written demand-for-rent.

- The association retains the right to evict tenants who do not pay rent pursuant to a written demand. The new amendment clarifies that the association must issue a written demand-for-rent letter to the tenant before the association may begin the eviction process.

- The requirement that tenants must have acted in "good faith" to be immune from landlord and parcel owner claims relating to rents paid to the association following receipt of the written demand is eliminated.

- Language previously providing that tenants are not responsible for increases in the amount of monetary obligations due unless the association provides ten (10) days' written notice has been deleted from the statute. This language is unnecessary now that the tenant's obligation to pay the association the entire amount of the monthly rent due under the lease until the parcel owner's monetary obligation to the association is paid in full has been clarified.

KG&B NOTES:

- *Previously, the law was subject to the interpretation that the tenant only had to pay future monetary obligations of the owner, or the assessments going forward, and the association could not apply the rent to the owner's past due balance. The statutory amendment clarifies that following the association's written demand-for-rent, the tenant must remit the full amount of all rental payments to the association until the delinquent owner's monetary obligation to the association is paid in full or until the tenancy is discontinued.*

BULK CABLE, TELEPHONE AND INTERNET CONTRACTS

Homeowners' Associations – §720.309

Allocating Costs of Bulk Communications Contracts:

- If the governing documents provide that the cost of communications services, information services or internet services obtained pursuant to a bulk contract shall be deemed an operating expense of the association, then the costs shall be allocated in accordance with the operating expense allocation set forth in the governing documents.

- If the governing documents do not provide for such services, the board may contract for the services and the cost shall be deemed an operating expense of the association but must be allocated on a *per-parcel* basis rather than a *percentage* basis, notwithstanding the governing document provisions which set forth an allocation procedure other than an equal sharing of operating expenses.

- Any contract entered into before July 1, 2011, in which the cost of the service is not equally divided among all parcel owners, may be changed by a majority of the voting interests present at a regular or special meeting of the association in order to allocate the cost equally among all parcels.

- Any contract entered into by the board must provide that a hearing-impaired or legally blind parcel owner who does not occupy the parcel with a non-hearing-impaired or sighted person, or a parcel owner who receives supplemental security income under Title XVI of the Social Security Act or food assistance as administered by the Department of Children and Family Services, may discontinue the service without incurring disconnect fees, penalties, or subsequent service charges, and may not be required to pay any operating expenses charge related to such service for those parcels.

- If fewer than all parcel owners share the expenses of the services, the expense must be shared by all participating parcel owners.

- Cancelling and Enforcing Bulk Contracts:

  - Any communication services contract entered into by the board may be canceled by a majority of the voting interests present at the next regular or special meeting of the association, whichever occurs first. Any member may make a motion to cancel such contract, but if no motion is made or if such motion fails to obtain the required vote, the contract shall be deemed ratified for the term expressed therein.

  - The association may utilize its lien rights to enforce payment by the parcel owners receiving such services.

  - A resident of any parcel, whether a tenant or parcel owner, may not be denied access to available franchised, licensed, or certificated cable or video service providers if the resident pays the provider directly for services.

  - A resident or a cable or video service provider may not be required to pay anything of value in order to obtain or provide such service, except for the charges normally paid for similar services by residents of single-family homes located outside the community but within the same franchised, licensed, or certificated area, and except for installation charges agreed to between the resident and the service provider.

    In effect, any owner may subscribe to communication services in addition to those provided by the association's bulk service contract, and the owner is still responsible to pay his or her share of the association's bulk service contract.

B. SENATE BILL 2156 (SB 2156):

Florida Statutes §§720.403-720.407:

With an effective date of July 1, 2011, SB 2156 provides the following changes with regard to the Department of Community Affairs:

This amendment reorganizes the State's administrative agencies, one of which is the Department of Community Affairs (DCA). The DCA was responsible for reinstating Homeowners' Association covenants where they had been extinguished by the Marketable Record Title Act (MRTA). This function will now fall under the authority of the newly created Department of Economic Opportunity. The transition is to be completed by October 1, 2011.

KG&B NOTES:

- *The Department of Economic Opportunity will be taking over the function of the DCA as it pertains to covenant revitalizations under MRTA. Associations currently undergoing or contemplating a covenant revitalization should discuss with legal counsel the possibility of an interruption or delay in the process during the transition of statutory responsibilities from one department to the other.*

III. COOPERATIVE ASSOCIATIONS

HOUSE BILL 1195 (HB 1195):

*With an effective date of **July 1, 2011**, HB 1195 provides the following changes to cooperative associations:*

FIRE SAFETY

- Manual Fire Alarm Systems:

  Cooperatives– §633.0215(14)

- Cooperative buildings that are less than four (4) stories and have an exterior walkway providing a means of entry to or exit from the building are exempt from installing a manual fire alarm system in accordance with section 9.6 of the Life Safety Code. This change conforms two (2) separate laws passed last year that had slightly different language relating to this policy.

ASSESSMENTS AND COLLECTION

- Collection Fees/Liens:

  Cooperatives – §719.108(4)

  - The amendment deletes the statutory language authorizing cooperative associations to lien for the reasonable cost of collection services for which the association has contracted against the unit owner of the cooperative parcel. As such, cooperative associations may no longer lien for the reasonable costs of collection services.

- Demand-for-Rent:

  Cooperatives – §719.108(10)

  - The amendment replaces the term "future monetary obligations" with the term "subsequent rental payments." This clarifies that tenants of delinquent owners must pay the *entire amount* of their rental payment to the association until the owner's past due monetary obligation to the association is paid in full.

  - Specific language is now provided for use by the association when issuing notice to the tenant of the demand-for-rent. The amendment requires that this language is substantially followed. ***See Appendix III for Demand for Rent language.***

  - The tenant must continue to make his or her rent payments to the association until the association releases the tenant or the tenant discontinues the tenancy.

  - The tenant is immune from any claim by the landlord or unit owner related to the rent timely paid to the association after the association has made a written demand-for-rent.

  - The association retains the right to evict tenants who do not pay rent pursuant to a written demand. The new amendment clarifies that the association must issue a written demand-for-rent letter to the tenant before the association may begin the eviction process.

  - The requirement that tenants must have acted in "good faith" to be immune from landlord and unit owner claims relating to rents paid to the association following receipt of the written demand is eliminated.

  - Language previously providing that tenants are not responsible for increases in the amount of monetary obligations due unless the association provides ten (10) days' written notice has been deleted from the statute. This language is unnecessary now that the tenant's obligation to pay the association the entire amount of the monthly rent due under the lease until the unit owner's monetary obligation to the association is paid in full has been clarified.

➢ ***KG&B NOTES:***

- *Previously, the law was subject to the interpretation that the tenant only had to pay future monetary obligations of the owner, or the assessments going forward, and the association could not apply the rent to the owner's past due balance. The statutory amendment clarifies that following the association's written demand-for-rent, the tenant must remit the full amount of all rental payments to the association until the delinquent unit owner's monetary obligation to the association is paid in full or until the tenancy is discontinued.*

SUSPENSION OF USE RIGHTS & IMPOSITION OF FINES

Cooperatives – §719.303(3), (4), & (5)

- For Violations of the Cooperative Documents:
  - *Suspensions*–Upon reasonable notice and opportunity for hearing to the unit owner, cooperative associations may suspend for a reasonable period of time, the right of owners, tenants, guests or invitees to use the common elements, common facilities or any other association property for violations of the cooperative documents or reasonable rules of the association.
  - *Fines* –Cooperative associations may levy reasonable fines for the failure of the unit owner, or the unit's occupant, licensee or invitee to comply with any provision of the cooperative documents or reasonable rules of the association. This fining authority is now statutory, and the requirement that such authority be contained in the cooperative documents is eliminated.
  - A fine still cannot become a lien against the unit, and may not exceed one hundred ($100.00) dollars per violation, or one thousand ($1,000.00) dollars in the aggregate.
- For Delinquency:
  - *Suspension of Use Rights–*
    - A cooperative association may suspend the right of the unit owner or the unit's occupant, licensee, or invitee to use the common elements, common facilities, or any other association property if the unit owner is more than ninety (90) days delinquent in paying a monetary obligation to the association, until such monetary obligation is paid in full.
    - Suspension of use rights does not apply to limited common elements intended for use only by the affected unit, common elements needed to access the unit, utility services provided to the unit, parking spaces or elevators.

- The notice and hearing requirements generally required for the suspension of use rights do not apply to suspensions for delinquency. However, such suspension must be approved at a properly noticed board meeting.

- Once a suspension of use rights is approved, the owner (including any occupants, licensees or invitees) must be given notice of the suspension by either mail or hand delivery.

- *Suspension of Voting Rights -*

  - Cooperative associations may suspend the voting rights of a unit or member due to nonpayment of any monetary obligation owed to the association, which is more than ninety (90) days delinquent.

  - The suspension of a voting right prevents that interest from being considered for any purpose, including a quorum, an election, or the approval of an action pursuant to statute or the association's governing documents.

  - Suspension of voting rights must be approved at a properly noticed board meeting. Once a suspension of rights is approved, the owner, and if applicable, the unit's occupant, licensee or invitee, must be given notice of the suspension of the voting interest by either mail or hand delivery.

  - Suspension of voting rights continues until all monetary obligations currently due or overdue to the association are paid in full.

IV. VACATION AND TIMESHARE PLANS

HOUSE BILL 1195 (HB 1195):

*With an effective date of **July 1, 2011**, HB 1195 provides the following changes to vacation and timeshare plans associations:*

FIRE SAFETY

- Manual Fire Alarm Systems:

  Vacation and Timeshare Plans– §633.0215(14)

- Multifamily residential buildings that are less than four (4) stories and have an exterior walkway providing a means of entry to or exit from the building are exempt from installing a manual fire alarm system in accordance with section 9.6 of the Life Safety Code. This change conforms two (2) separate laws passed last year that had slightly different language relating to this policy.

BOARD OF DIRECTORS/ELECTIONS

Condominiums (Timeshares only) – §718.112(2)(d)

- The amendment deletes a provision of s. 718.112(2)(d) stating that sub-subparagraph s. 718.112(2)(d)3.a, pertaining to notice and procedural requirements for elections does not apply to timeshare condominiums. Therefore, timeshare condominiums must now comply with the election requirements of s. 718.112(2)(d)3.

- However, the amendment also provides that the chapter does not limit the use of general or limited proxies, require the use of general or limited proxies, or require the use of a written ballot or voting machine for any agenda item or election at any meeting of a timeshare condominium association.

TERMINATION OF TIMESHARE CONDOMINIUMS

Condominiums – §718.117(2)

- *Where the improvements have been totally destroyed or demolished,* a condominium that includes units and timeshare estates may be terminated pursuant to a plan of termination proposed by a unit owner upon the filing of a petition in court seeking equitable relief. Within ten (10) days after filing the petition, the petitioner must record the proposed plan of termination and mail a copy of the petition to:

    - each member of the board of directors and the registered agent of the association;
    - the managing entity, as defined in s. 721.05, F.S.;
    - each unit owner and each timeshare estate owner; and
    - any holder of a recorded mortgage lien affecting a unit or timeshare estate.

- Any of the above parties may intervene in the proceedings to contest the proposed plan of termination.

    - If a party intervenes within forty-five (45) days after the filing of the petition to contest the proposed plan, the plan may not be implemented until a final judgment of the court has been entered finding that the plan is fair and reasonable and authorizing its implementation;

    - If no party intervenes within forty-five (45) days after the filing of the petition, the petitioner may move the court to enter a final judgment authorizing the implementation of the plan of termination.

V. MOBILE HOMES

SENATE BILL 650 (SB 650)

Mobile Homes - §723.024 & §723.061

With an effective date of June 2, 2011, SB 650 provides the following changes with regard to mobile homes:

- If a unit of local government finds that a violation of local code or ordinance has occurred, such government unit shall cite the responsible party for the violation and enforce the citation under its local code and ordinance enforcement authority.

- A lien, penalty, fine, or other administrative or civil proceeding may not be brought against the mobile home owner or mobile home for any duty or responsibility of the mobile home park owner under s. 723.022 or against the mobile home park owner or mobile home park property for any duty or responsibility of the mobile home owner under s. 723.023.

- A mobile home park owner may evict a mobile home owner, tenant, occupant or mobile home only on one or more of the following grounds:

    - Nonpayment of the lot rental amount;
    - Conviction of a violation of a federal or state law or local ordinance, if the violation is detrimental to the health, safety or welfare of other residents;
    - Violation of a park rule or regulation, the rental agreement, or statute;
    - Change in use of the land comprising the mobile home park, or the portion thereof from which mobile homes are to be evicted, from mobile home lot rentals to some other use, if:

        - The park owner gives written notice to the homeowners' association of its right to purchase the mobile home park, if the land comprising the mobile home park is changing use from mobile home lot rentals to a different use, at the price and under the terms and conditions set forth in the written notice.

        - Notice must be delivered to the officers of the homeowners' association by mail. Within forty-five (45) days after the date of mailing the notice, the homeowners' association may execute and deliver a purchase contract to the park owner containing the price, terms and conditions set forth in the notice. If such contract is not executed and delivered within the forty-five (45) day period, the park owner has no further obligation to the homeowners' association, except that if the park owner later elects to offer or sell the mobile home park at a lower price than provided in the initial notice, the homeowners' association has an additional ten (10) days to meet the revised price and deliver the executed purchase contract to the park owner.

        - The park owner has no further obligation to provide any other notice to or negotiate with the homeowners' association after six (6) months after the date of mailing the initial notice.

        - The park owner gives the affected mobile home owners and tenants at least six (6) months' notice of the eviction due to change of use and of their need to secure other accommodations.

VI. ADDITIONAL BILLS OF INTEREST FOR COMMUNITY ASSOCIATIONS

A. PROCESS SERVERS, HOUSE BILL 59 (HB 59):

Florida Statutes §48.031(7)

With an effective date of July 1, 2011, HB 59 provides the following changes with regard to process servers:

This amendment provides that a gated residential community, including a condominium association or a cooperative, shall grant unannounced entry into the community, including its common areas and common elements, to a person attempting to serve process on a defendant or witness who resides within or is known to be within the community.

B. PROPERTY INSURANCE, SENATE BILL 408 (SB 408):

With an effective date of May 17, 2011, unless otherwise stated, SB 408 provides the following changes with regard to property insurance:

Homeowners and community associations will see significant and problematic changes to their property insurance policies thanks to the new law Senate Bill 408 ("SB 408"). Many of SB 408's most onerous policy changes were vetoed last year. The legislature, however, revived them again this legislative session and Governor Scott signed them into law. While the changes will be challenging to most homeowners, the difficulties are exacerbated for association residents and managers due to the nature of association governance.

This 129-page bill went through numerous iterations, with more than 150 amendments filed to the Senate version alone. Below, you will find Katzman Garfinkel & Berger's analysis of the new law and a thorough explanation of what these changes mean for association board members, homeowners, and the professionals who manage these communities.

- CLAIMS DEADLINE FOR WINDSTORM OR HURRICANE LOSS:

  Residential & Commercial Property Insurance Policies – §626.70132, Effective June 1, 2011

  - The creation of a deadline for filing claims is a dramatic change for boards and homeowners. Prior to this legislation, there has never been a legally mandated deadline for filing a claim for windstorm or hurricane losses.

  - Claims are different from lawsuits. A claim is the formal notice and submission of a loss to your insurance company so that it can investigate, adjust, and pay your damages. A lawsuit, on the other hand, is the legal action taken against another party, which commences when a formal complaint is filed in a court of law.

- Under the new law, an insured must provide notice of an original claim, supplemental claim, or reopened claim **within three (3) years** after a hurricane first makes landfall or a windstorm causes covered damages. An insured's claim will be forever barred if not filed within the three (3) year deadline.

What this claim deadline means – In some cases, damages are latent and are unnoticeable for years after the storm. Consider the following example:

After a hurricane hits there is no great visual damage to an owner's roof. The owner files a claim for other hurricane related damage to the home, excluding any claim for the seemingly unaffected roof. As time progresses, the owner begins to notice water intrusion into the interior ceiling. The owner does not notice the problem immediately because the insulation inside the ceiling is absorbing most of the slow leak from the roof. Assuming it is an A/C issue, the owner has HVAC contractors come out numerous times to check, but with little success. It is eventually determined that the roof was compromised by the hurricane, but this discovery is made more than three (3) years after the storm hits.

Prior to the new law, the owner could file a supplemental claim for the damages to the roof. However, under the new law, the owner would be barred from submitting the claim for the roof as the damage was discovered after the new statutory deadline had expired.

- LAWSUIT DEADLINES:

Residential & Commercial Property Insurance Policies – §95.11(2)(e)

- Previously, a policyholder had five (5) years from the date of a breach of contract to file a lawsuit or be forever barred from seeking legal remedies in a court of law. When an insurance company underpays on a policyholder's insurance claim, the company is considered to have breached the contract.

- The new law changes the deadline in which an insured must file a lawsuit following a property damage loss to **five (5) years** from the *date of loss* instead of five (5) years from *the date of breach*.

What shortened lawsuit deadlines mean – Consider the following example:

Condominium ABC is hit by Hurricane Jane in October 2011, and suffers extensive damage. The Condominium immediately provides notice of its loss to its insurance carrier; meeting the new three (3) year claim deadline. The insurance carrier inspects and makes a nominal payment of $10,000, but not enough to pay for all hurricane-related damages. In September 2013, two (2) years after the hurricane, the Condominium receives a $100,000 roofing bid to replace the roof damaged by the hurricane. The Condominium hires a public adjuster who submits a supplemental claim. The insurance carrier comes out again for inspections and makes another minimal payment of $20,000. The Condominium is $70,000 short and decides to hire an attorney to assist with collecting the remainder of the funds owed under the policy.

Prior to this law's enactment, the Condominium would have five (5) years from the date the carrier breached the insurance contract to file a lawsuit. Given the last underpayment (a breach of contract) occurred in September 2013, the Condominium would have had until September 2018 to file suit. Under the new law however, the Condominium must file a lawsuit by October 2016, five (5) years after the hurricane hit.

- RATE INCREASES:

  Residential & Commercial Property Insurance Policies – §§215.555(2) & 627.062(2), Effective June 1, 2011

  The 2011 legislative session did anything but help the insured when it comes to paying higher premiums. Through a number of different measures, SB 408 allows insurance companies to legally justify more frequent and increased rates. This new law also reduces the transparency with which these companies have previously been required to operate.

  - Florida's Hurricane Catastrophe Fund provides discounted reinsurance to insurance carriers. The new law adds restrictions to what insurance carriers may have reimbursed from this fund;
    - As a repercussion of this limitation, insurance carriers will have to seek more expensive sources of reinsurance in the private market, which will contribute to increased rates for policyholders.
  - The new law also creates an additional standard to be considered when the State reviews an insurance company's request for a rate increase. The State is now prohibited from compromising "*an insurer's right to acquire policyholders*." This statutorily created right would give weight to an insurer's argument that a requested rate increase is not excessive, and that denying the rate increase would make it impossible to provide coverage and thereby compromise their ability to "*acquire policyholders*." As such, the legislature has provided the insurance industry with more ammunition to justify higher premiums.

  Residential Property Insurance Policies – §627.062(2)(k)

  - Insurers are permitted to increase rates up to fifteen (15%) percent annually if the increases are associated with reinsurance.

How insurance carriers can use reinsurance to increase rates – Take the following example:

Certain insurance companies structure their business models with various entities. A parent company may have an entity that sells reinsurance to another entity that provides coverage to homeowners. This parent company could raise the price of reinsurance coverage it sells, thus permitting its entities to justify charging consumers higher premiums. Basically, an insurance company, through the way it is structured, could cause its own costs to increase, thereby resulting in higher rates for policyholders.

- If a carrier's request for a rate increase is related to reinsurance costs, they are now exempted from certain practices and the disclosure of data typically required to substantiate such requests;

- Insurers are no longer prohibited from seeking additional rate increases even if they raised their rates in the six (6) months prior to the current increase;

- Insurers are no longer prohibited from seeking additional rate increases in the six(6) months after initially raising their rates.

What this means – This could provide an avenue for insurers to increase rates under the guise of reinsurance, while in reality insurers may be using reinsurance as a method to procure a rate increase without disclosing expenses, profits, etc.

- LOSS REIMBURSEMENT FOR DWELLINGS AND PERSONAL PROPERTY:

Residential Property Insurance Policies – §627.7011

Previously, policyholders could purchase a policy that would reimburse the owner for the replacement cost of the damage to a dwelling or personal property. Insurers were required to pay the replacement costs without holding back any amounts for depreciation. The new law changes these reimbursement procedures, allowing the insurer to initially pay the actual cost value rather than the replacement costs, even when the insured's policy covers replacement costs.

- Loss to a Dwelling

  - If there is a loss to a dwelling, the insurer must pay at least the actual cost value less the deductible. The actual cost value is the cost of replacement less depreciation as such work is performed and expenses are incurred;

  - If the replacement costs associated with the damage to the dwelling exceed the amount of the actual cost value, the insurer will be required to pay for any costs necessary to repair the dwelling;

  - If the dwelling is completely destroyed, the insurer must pay the replacement cost without deducting for any depreciation.

- Loss to Personal Property

  - The insurer must offer coverage which obligates the insurer to pay the replacement cost without holdback for any depreciation in value, regardless of whether the insured actually replaces the property;

  - The new law, however, provides that in exchange for a discount on the policy, the insurer may offer coverage where the personal property is replaced by a system requiring the insured remit all receipts up to the policy limit for replacement cost. Under this plan, the insurer's initial payment is limited to the actual cash value of the property that is to be replaced. Thereafter, the policyholder must provide receipts for the purchase of the replacement property financed by the initial payment;

- Based on these receipts, the insurer would be required to make the financed payment for the replacement of the property up to the policy limits. Under this plan, the insurer cannot require the policyholder to pay in advance for the replacement property.

- NOTIFICATION OF POLICY NONRENEWAL, CANCELLATION OR TERMINATION:

Residential & Commercial Property Insurance Policies – §§627.062, 627.4133(2)(b) & 627.43141

To ensure that consumers are not left out in the cold, the State prevents insurance carriers from cancelling consumer policies within a certain period so that policyholders have adequate time to obtain a new policy. While the State continues to provide such consumer safeguards, SB 408 has shortened a number of these protective periods. Although these notification windows have decreased, the legislature managed to extend some pro-consumer provisions as well.

- Previously, if there was a change to a policy term, an insurance company would have to nonrenew the old policy and issue a new policy, which was confusing to consumers;
  - Now, if there is a change to a current or renewal policy, the policyholder must be provided written notice of the change;
  - When the policyholder makes the first premium payment the change in policy will be deemed accepted. If this written notice is not provided, only the original policy terms will remain in effect.
- Insurance companies are permitted to cancel or nonrenew any property insurance policy with at least forty-five (45) days notice, if the early cancellation of the policy is "*in the best interest of the public or policyholder*." However, these early cancellations and nonrenewals are still subject to State approval.
- Policyholders who have been insured by an insurance company for five (5) or more years will see their notice period of renewal, cancellation, or termination decrease from one-hundred eighty (180) days to one-hundred twenty (120) days.
- Policies covering both home and auto may be nonrenewed if either policy may validly be nonrenewed. Insurers are required to provide at least ninety (90) days' notice before cancellation.
- Individuals insured by Citizens face an even shorter notice period if their policy has been assumed by another authorized insurance company. In these instances, policyholders must receive at least forty-five (45) days' notice that Citizens will not be renewing their coverage, and that their policy will be assumed by another carrier.

- CONSUMER PROTECTION & INSURER ACCOUNTABILITY:

Residential Property Insurance Policies – §§627.0613(4) & 627.062(8)(d)

- The prohibition of the "use and file" system, which allowed insurers to increase rates, immediately collect higher premiums from policyholders, and ask for approval later, is extended until May 1, 2012. This extension prevents policyholders from being forced to lay out funds for increased premiums which may not even be approved by the State.

- The annual report card for residential property insurance carriers issued by the State's Insurance Consumer Advocate is eliminated by the new law. Previously, this report card provided consumers with information about past complaints against insurers, delays in payment on claims, and other information that assisted consumers in making informed choices about residential insurance.

- It is mandatory that an insurance company have their CEO/CFO/Chief Actuary sign a rate increase request to ensure carrier accountability. However, under the new law these individuals are not required to sign off on information required by the State to *supplement* the initial request. Supplemental information is typically required when the initial increase request has false or incomplete information;

    - This means that the Office of Insurance may reject a CEO/CFO/Chief Actuary's rate increase request for "X" reason, but then allow the insurer to supplement their filing to address "X" reason, without requiring the CEO/CFO/Chief Actuary to certify this new information. By not signing the supplemental material, the CEO/CFO/Chief Actuary may avoid liability for an unlawful increase.

- SINKHOLE CLAIMS:

Residential & Commercial Property Insurance Policies– §§627.706, 627.707, 627.7073, 627.7074, & 627.7065

Sinkholes continue to impact the insurance market throughout the State and are a major focus of the new bill. Despite previous legislative changes, the legislature found that the insurance market is still negatively impacted by the high number of sinkhole claims. In fact, even when these claims are paid, many of the properties are not repaired. Due to the reduction in property values and property taxes, the legislature acknowledged that sinkholes greatly impact the health, safety and welfare of its citizens. Therefore, in an attempt to limit sinkhole claims and disputes, the new law makes several statutory changes related to sinkholes.

- Regarding any claim for sinkhole loss (including but not limited to, initial, supplemental, or reopened), an insured has two (2) years to give notice of the claim to the insurer from the time they knew or should have reasonably known of the loss. Once this period expires, the insured is forever barred from submitting such claim.

- For a policyholder to obtain the benefits of a sinkhole policy, their covered structure must suffer some form of structural damage. Structural damage is defined as:

- interior floor displacement which causes the interior support systems to become unfit for service or represents a safety hazard under the Florida Building Code;
- shifting of the foundation resulting in damage to the primary structural systems, which prevents these systems from supporting the loads for which they were designed;
- damage that results in the likelihood of an imminent collapse of the building due to the movement or instability of the ground beneath the structure; and
- damage occurring on or after October 15, 2005, that qualifies as "substantial structural damage" as defined in the Florida Building Code.

- When inspecting a sinkhole claim, an insurer must first determine if the damage constitutes the statutorily mandated structural damage;
  - If structural damage is found, the insurer will likely be required to hire a professional engineer or geologist to conduct sinkhole testing to determine if the loss was actually caused by a sinkhole;
  - However, even if structural damage is found, an insurer is permitted to determine that such damage was not caused by a sinkhole without the aid of a professional engineer or geologist, and subsequently deny the claim;
- If an insurer denies a sinkhole claim absent a professional opinion, a policyholder may request professional sinkhole testing. However, the policyholder must pay the insurer fifty (50%) percent of the costs, up to two thousand five hunded ($2,500.00) dollars, which will be reimbursed only if the test confirms sinkhole loss;
- If sinkhole damage is found, claim payments must include costs incurred for stabilization of the land in addition to repair of the building.
- Professional engineer/geologist sinkhole reports:
  - do not constitute a lien, encumbrance, or restriction to the real property or act as a defect in the property's title;
  - must be filed in the county court by professional engineers/geologists;
  - must include the statutorily required information.
- If a sinkhole report has been issued and the insured or insurer is dissatisfied with the results, they may then request a neutral evaluator to inspect the claim. This neutral evaluator's decision as to the sinkhole claim is nonbinding.
- Regarding neutral evaluation procedure, the new legislation:
  - clarifies the process for selection and use of a neutral evaluator;

- stipulates the rights and obligations of the insured, insurer, and the neutral evaluator;
- stipulates which party is responsible for specific costs; and
- sets forth the possible liabilities of parties for their actions during the evaluation process.

- The sinkhole information database is eliminated. This database was used to track sinkhole activity throughout Florida.

- SINKHOLE POLICY RENEWAL & CANCELLATION:

Residential & Commercial Property Insurance Policies– §627.706

- At the option of the insurance carrier, they may nonrenew sinkhole coverage policies and instead provide coverage for catastrophic ground cover collapse. Catastrophic ground cover collapse does not cover sinkhole loss.

- Citizens Property Insurance Corporation's new or renewal policies issued after January 1, 2012, that cover sinkholes *do not* include coverage for loss to appurtenant structures, driveways, sidewalks, decks or patios caused directly or indirectly by sinkhole activity;

- Sinkhole coverage is exempted from the Citizens Property Insurance Corporation's ten (10%) percent annual increase requirements.

- ADDITIONAL CHANGES TO CITIZENS PROPERTY INSURANCE CORPORATION:

Residential & Commercial Insurance Policies – §627.351

- As of January 1, 2012, agents must obtain a signed acknowledgement from applicants for Citizens coverage indicating that the applicant understands the potential for assessments and the financial obligation that may arise;

- Requires the Corporation to hire an independent third-party consultant with expertise in insurance company management or consulting to determine the cost effectiveness of outsourcing policy issuance and servicing functions to the private sector. The report must be completed by July 1, 2012 and the board must begin implementation of such plan no later than January 1, 2013;

- Clarifies ethics requirements for board members, and requires board members and senior managers to abstain from voting where a conflict of interest exists;

- Removes requirement that the board provide an annual report to the President of the Senate and Speaker of the House regarding the 100 year probable maximum loss attributable to wind-only coverage;

- Renames the Citizens Property Insurance Corporation "High Risk" account the "Coastal" account.

- ADDITIONAL CHANGES TO INSURANCE CARRIERS:

Residential &Commercial Property Insurance Policies – §§215.5595(12), 624.408(1), 627.06281

- New and current insurance carriers are required to increase their surplus funds. The mandated level of surplus funds has not changed since 1993;

- Florida offers an incentive program for new insurance carriers to start selling policies in the state, termed the Capital Build-Up Incentive Program. This program obligates an insurer to write a certain amount of new property damage policies in the first few years it enters the Florida market. The amendment provides for an option whereby the insurer agrees to accelerate payment back to the State of the incentive funds received, in exchange for a reduction of the obligation for the carrier to sell new policies;

- Fees for insurers' use of Pubic Hurricane Loss Projection Model are set to correlate with "the reasonable costs associated with the operation and maintenance of the model by the office." This is a bit more flexible than the previous standard which required a fee schedule;

- The Public Hurricane Loss Projection Model is maintained by the State to analyze hurricane data and help predict possible damage. Insurers use the model as a tool to determine their rates.

C. ELEVATORS & PUBLIC SWIMMING POOL REGS, HOUSE BILL 849 (HB 849):

*With an effective date of **July 1, 2011**, HB 849 provides the following changes with regard to elevators and public swimming pool regulations:*

Elevators – §553.509:

This new law reinforces that the Americans with Disabilities Act Standards for Accessible Design does not relieve building owners of their duty to provide vertical accessibility, even if it requires the installation of an elevator. However, this bill abolishes many of the previous requirements that elevators be supported by an alternate power source. The major amendments include:

- Newly constructed residential multifamily dwellings, including condominiums, that are least seventy-five (75) feet high are no longer required to have an elevator connected to an alternate power source in case of a natural disaster.

- The emergency operation plans for these alternative power sources are no longer required. Likewise, the requirement that these emergency plans and inspection records be open for periodic review by local and state government agencies as deemed necessary has also been removed.

- Quarterly inspection records of lifesafety equipment and alternate power generation equipment do not need to be posted for elevator inspectors.

- Multi-story affordable residential dwellings for persons age 62 and older which are financed or insured by HUD no longer have to "make every effort to obtain grant funding from the Federal Government or the Florida Housing Finance Corporation" to comply with the alternate power source elevator requirements.

Pools and spas –§§514.0315 & 553.909:

This new law creates several new safety requirements for public swimming pools and spas. The major statutory changes are:

- Public pools and spas must be equipped with an anti-entrapment system or device that complies with the American Society of Mechanical Engineers/American National Standards Institute standard A112.19.8 or any successor standard.
- Public pools and spas built before January 1, 1993, with a single main drain other than an unblockable drain must be equipped with one of the following:
    - a suction-limiting vent system with a tamper-resistant atmospheric opening;
    - a gravity drainage system that uses a collector tank;
    - an automatic shut-off system; or
    - a device or system that disables the drain.
- Residential pool filtration pumps and pump motors manufactured and sold on or after December 31, 2011, for installation in this state, must comply with the requirements of the Florida Energy Efficiency Code for Building Construction.
- Portable electric spas manufactured and sold on or after December 31, 2011, for installation in this state must comply with the requirements of the Florida Energy Efficiency Code for Building Construction.

D. VACATION RENTALS, HOUSE BILL 883 (HB 883):

§509.032(7)(b) & §509.242(1)(c)

With an effective date of ***June 2, 2011****, HB 883 provides the following changes with regard to vacation rentals:*

- Public lodging establishments formerly classified as "resort condominiums" and "resort dwellings" are now classified as "vacation rentals."
- "Vacation rentals" are defined as any unit or group of units in a condominium, cooperative, or timeshare plan or any individually or collectively owned single-family, two-family, or four-family house or dwelling unit that is also a transient public lodging establishment.

- Local laws, ordinances, or regulations may not restrict the use of vacation rentals, prohibit vacation rentals, or regulate vacation rentals based solely on their classification, use, or occupancy. However, this restriction does not apply to any local law, ordinance, or rule adopted on or before June 1, 2011.

- Lastly, a condominium association which does not own any units classified as vacation rentals is not required to apply for or receive a public lodging establishment license.

E. BUILDING INSPECTIONS, HOUSE BILL 407 (HB 407):

§553.79

*With an effective date of **July 1, 2012**, HB 407 provides the following changes with regard to building inspections:*

When issuing a one or two family residential building permit, local enforcement agencies and building code officials may NOT as a condition of issuance require the inspection of any portion of a building, structure, or real property that is not directly impacted by the construction, erection, alteration, modification, repair or demolition of the building, structure or real property for which the permit is sought. This new law also provides for certain exceptions, and calls for the incorporation of these provisions and limitations into the Florida Building Code.

F. CONSTRUCTION LIENS, SENATE BILL 1196 (SB 1196):

§713.10 & §713.13

*With an effective date of **October 1, 2011**, SB 1196 provides the following changes with regard to construction liens:*

This new law makes it easier for lessors to protect their property from liens resulting from lessee improvements. Previously, to obtain such protection, lessors were required to file their lease agreements in the official records of the county where the property is located. Instead of the lease agreement, a lessor may now file a memorandum of the lease or may file a notice advising that their property is exempt from liens arising from lessee improvements.

The law requires this lien exemption notice to be filed prior to the filing of any Notice of Commencement for work on the leased property. When contracting to improve a leased property, a contractor may serve a written demand upon the lessor requesting a copy of the lien exempting lease provision. Failure of the lessor to comply with this demand may result in the attachment of a contractor's lien to the lessor's property. Further, when a lessee is contracting for improvements to the leased property, the Notice of Commencement must name the lessee as the owner along with a statement that the ownership interest is a leasehold interest.

G. PROPERTY TAXATION, SENATE BILL 478 (SB 478):

With an effective date of July 1, 2011, SB 478 provides the following changes with regard to property taxation:

This bill tolls the statute of limitations relating to proceedings involving tax lien certificates or tax deeds during the period of an intervening bankruptcy.

H. CONSTITUTIONAL AMENDMENT, - HOMESTEAD & NON-HOMESTEAD PROPERTIES, HOUSE JOINT RESOLUTION 381 (HJR 381):

This constitutional amendment will go before voters in November 2012 and would provide the following changes with regard to homestead and non-homestead properties:

This constitutional amendment will go to Florida voters for approval. To be approved, at least sixty percent (60%) of the electors voting on the measure must vote in favor of the amendment. If approved, the amendment would prohibit tax increases if the just value of the property decreases, would decrease caps on non-homesteaded property from ten (10%) percent to five (5%) percent, and would create additional exemptions for first time buyers.

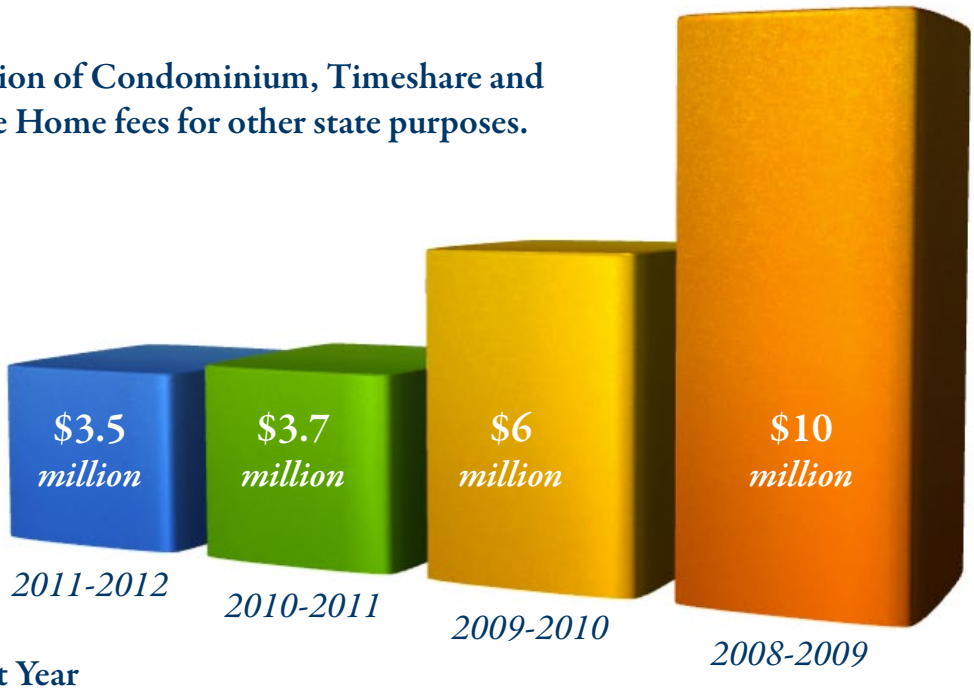
SECTION 2:

2011-2012 State of Florida Budget

Florida's legislators grappled to fill a close to $4 billion dollar shortfall to balance Florida's budget; their only constitutionally mandated obligation each Session. Senate and House leaders agreed to a $69.7 billion plan for the 2011-2012 Fiscal Year.

For the fourth year in a row, the fees association members pay for the Division's alternative dispute resolution program and other community association educational services were raided to fund other state services.

Diversion of Condominium, Timeshare and Mobile Home fees for other state purposes.



Budget Year

As a consequence of the Condominium Trust Fund raid, the Division of Condominiums, Timeshares and Mobile Homes will be reduced by six positions. The Ombudsman's Office is going to be reduced by one position. That position, however, was a vacant position that has been unoccupied for more than two years. Moreover, years after former Ombudsman, Danille Carroll's departure, the State has still not appointed a permanent replacement with Colleen A. Donahue continuing to act as Interim Ombudsman.

CAN's 2011 Legislative Roundtable: June 16, 2011
KG&B Law and Learning Center

CLICK ON THE VIDEO TO THE LEFT TO ACTIVATE THEN PLAY
May need to allow for loading time

SECTION 3:

Can's Legislative Roundtable

With so many surprises this session, it's hard to imagine what to expect this upcoming year. The Community Advocacy Network's members met with legislators to discuss this at CAN's 2011 legislative roundtable on June 16th. In addition to speaking with legislators about changes on the horizon, legislators provided a window into the internal working of the legislative process and its impact on community association legislation. Click on the video above to watch this informative event.

Katzman Garfinkel & Berger
Law and Learning Center

Bill Raphan
Statewide Facilitator of Learning Outreach
KG&B Law and Learning Center

CLICK ON THE VIDEO TO THE LEFT TO ACTIVATE THEN PLAY
May need to allow for loading time

SECTION 4:
Raphans Answer Your Frequently Asked Questions

The most effective way to influence Florida's community association law is to have an informed constituency. KG&B is incredibly honored and proud that Bill and Susan Raphan, formerly with the State Condominium Ombudsman's Office, have joined our team. In the video above, Bill Raphan answers questions about the newly enacted HB 1195. If you or your members have any additional questions, please give Bill or Susan a call at 954-486-7774 or e-mail your questions to: *guidebookquestions@kgblawfirm.com*.

SECTION 5:

Appendix

APPENDIX I

Condominium Association Demand-for-Rent Letter

The condominium association must provide the tenant a notice, by hand delivery or United States mail, in substantially the following form:

Pursuant to section 718.116(11), Florida Statutes, the association demands that you pay your rent directly to the condominium association and continue doing so until the association notifies you otherwise.

Payment due the condominium association may be in the same form as you paid your landlord and must be sent by United States mail or hand delivery to...(full address)..., payable to ...(name)....

Your obligation to pay your rent to the association begins immediately, unless you have already paid rent to your landlord for the current period before receiving this notice. In that case, you must provide the association written proof of your payment within 14 days after receiving this notice and your obligation to pay rent to the association would then begin with the next rental period.

Pursuant to section 718.116(11), Florida Statutes, your payment of rent to the association gives you complete immunity from any claim for the rent by your landlord for all amounts timely paid to the association.

APPENDIX II

Homeowners' Association Demand-for-Rent Letter

The homeowners' association must provide the tenant a notice, by hand delivery or United States mail, in substantially the following form:

Pursuant to section 720.3085(8), Florida Statutes, the association demands that you pay your rent directly to the homeowners' association and continue doing so until the association notifies you otherwise.

Payment due the homeowners' association may be in the same form as you paid your landlord and must be sent by United States mail or hand delivery to...(full address)..., payable to ...(name)....

Your obligation to pay your rent to the association begins immediately, unless you have already paid rent to your landlord for the current period before receiving this notice. In that case, you must provide the association written proof of your payment within 14 days after receiving this notice and your obligation to pay rent to the association would then begin with the next rental period.

Pursuant to section 720.3085(8), Florida Statutes, your payment of rent to the association gives you complete immunity from any claim for the rent by your landlord for all amounts timely paid to the association.

APPENDIX III

Cooperative Association Demand-for-Rent Letter

The cooperative association must provide the tenant a notice, by hand delivery or United States mail, in substantially the following form:

Pursuant to section 719.108(10), Florida Statutes, the association demands that you pay your rent directly to the cooperative association and continue doing so until the association notifies you otherwise.

Payment due the cooperative association may be in the same form as you paid your landlord and must be sent by United States mail or hand delivery to...(full address)..., payable to ...(name)....

Your obligation to pay your rent to the association begins immediately, unless you have already paid rent to your landlord for the current period before receiving this notice. In that case, you must provide the association written proof of your payment within 14 days after receiving this notice and your obligation to pay rent to the association would then begin with the next rental period.

Pursuant to section 719.108(10), Florida Statutes, your payment of rent to the association gives you complete immunity from any claim for the rent by your landlord for all amounts timely paid to the association.

APPENDIX IV

Quick Reference Guide to Suspensions and Fines

Suspension of Use Rights					
Reason for Suspension	**Association Type**	**Written Notice Prior to Suspension**	**Hearing**	**Board Meeting**	**Written Notice After Board Decision**
Owners Delinquent in Excess of 90-days	Condo HOA Co-op	No	No	Yes	Yes hand delivery or mail
Violations of Governing Documents when Owners are Not Delinquent	Condo HOA	Yes 14 day notice	Yes	No[1]	No[2]
	Co-op	Yes Reasonable notice	Yes	No[1]	No[2]

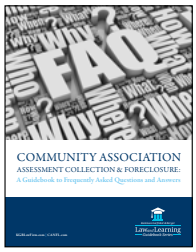
Suspension of Voting Rights					
Reason for Suspension	**Association Type**	**Written Notice Prior to Suspension**	**Hearing**	**Board Meeting**	**Written Notice After Board Decision**
Owners Delinquent in Excess of 90-days	Condo HOA Co-op	No	No	Yes	Yes hand delivery or mail

Fines					
Reason for Fine	**Association Type**	**Written Notice Prior to Fining**	**Hearing**	**Board Meeting**	**Written Notice After Board Decision**
Violations of Governing Documents [3]	Condo HOA	Yes 14 day notice	Yes	Yes	No[2]
	Co-op	Yes Reasonable notice	Yes	Yes	No[2]

1 Although not required by statute, it is recommended that the board meets and issues the suspension, based on the committee's decision.
2 It is strongly recommended that boards continue to issue written notice.
3 Associations may levy fines for violations of governing documents regardless of whether an owner is delinquent or in good standing.

What Courses, Materials and Other Tools has Katzman Garfinkel & Berger Created for Your Community?

KG&B Law and Learning Center's Lending Library and Guidebook Series



Community Association Collection & Foreclosure Guide

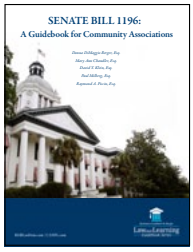
This Guidebook provides an overview of the many options and various strategies available to community associations to move the collection process forward, while shedding light on the many complicated issues involved in collecting delinquent assessments in today's difficult economic environment.

http://www.canfl.com/pdfs/KGBcollFAQs_sm.pdf

Community Association Hurricane Preparedness Guide

This is a guide for community associations providing tips and suggestions to help you weather any storm.

http://www.canfl.com/documents/KGRHG2010webF2.pdf



SB 1196 A Guidebook for Community Associations

This is a guide to the 2010 legislative session's amendments to community association law.

http://www.canfl.com/pdfs/SB-1196-Guidebook2.pdf

Lending Library

You can check out our educational materials and review them in the comfort of our Law and Learning Center, or you may take up to three materials home with you for up to two weeks.

http://www.kgblawfirm.com/pages.cfm?t=LendingLibrary

KG&B Law and Learning Center's Free Course Series

Board Member Boot Camp®

Board Member Boot Camp® has been developed as part of the educational outreach program of the Community Advocacy Network, a not-for-profit organization founded in 2007 by the Florida law firm of Katzman Garfinkel & Berger to provide education, advocacy and outreach services to community associations statewide and promote positive community association legislation. Board Member Boot Camps are interactive, free of charge and are held throughout the State depending on demand and availability. Be prepared to be put through your paces, learn about what it takes to really serve your community, walk away with a Certificate of Completion for Board Member Certification purposes and be entertained in the process.

http://www.boardmemberbootcamp.com/

We Speak Condo Series with Bill and Susan Raphan

Do Friends Let Friends Buy Condos? Understand Your Rights and Responsibilities Before Signing on the Dotted Line

Election Pitfalls

Meeting Mayhem

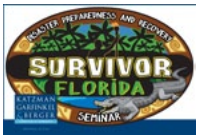
Condominium Dollars and Sense

To Serve or not to Serve?

Maintaining Order: A Discussion of Rules/Regulations, Suspension of Use Rights and Fining

Still Stumped? Questions You Have Been Meaning to Ask.

To register or learn more, go online at: **http://www.kgblawfirm.com/pages.cfm?t=Events**
Also, check this site for news about KG&B's *Homeowner Association Course Series (Dates and Times TBD).*
**All courses above provide 2 hours of CEU for Managers.*



Survivor: Florida Disaster Preparedness and Recovery Seminar

The Disaster Preparedness and Recovery Seminar will cover the best ways to prepare for, and recover from, a disaster. It will highlight Pre-Preparations, Business Plans, Facilities Preparation, People Plan, Board Emergency Powers, Post Disaster Plan, Reconstruction & Restoration, and the Claims Process. Provides 2 hours of Community Association Manager CEU Credit.

KG&B Legal Update

This 2 hour CEU course for Community Association Managers is a synopsis and discussion of the changes in the legislative statutes that affect Community Association Managers; includes a case law summary.

Board Member Basics

Our abbreviated 2-hour Board Member Certification Course is an interactive, free course, covers the following topics and meets board member certification requirements: How to Negotiate with Vendors, How to Defuse Community Conflict, Preparing Budgets, Financial Reporting, Obligations, Pursuing Collections, Identifying and Preventing Fraud in Your Community, Elections, Official Records and Participation at Meetings.

Real-Time Community Association News, Events and Analysis

Condo & HOA Law

The Condo and HOA Law Blog, written by attorney Donna DiMaggio Berger, discusses topics of interest to residents, Board members and managers in common interest ownership communities. **http://www.condoandhoalawblog.com/**

Community Advocacy Network

The Community Advocacy Network (CAN) is the leading statewide advocacy network dedicated to promoting positive community association legislation while advising legislators to resist the urge to micromanage and over-regulate private residential communities. **www.canfl.com**

KG&B Website

Katzman Garfinkel & Berger's website includes articles, information, audio broadcasts, videos, photos and other useful resources that can be helpful tools in assisting your community association.
www.kgblawfirm.com

CAN's Facebook

http://www.facebook.com/pages/Community-Advocacy-Network-CAN/168174093245774?ref=ts

Firm's Facebook

http://www.facebook.com/pages/Community-Advocacy-Network-CAN/168174093245774?ref=ts#!/KGBLawFirm

Flickr

http://www.flickr.com/photos/canfl

KG&B Reference Resources:

Florida Statutes – Laws Governing Community Associations
http://www.kgblawfirm.com/pages.cfm?t=LinksResources&catID=6

Florida Administrative Code – Rules Governing Community Associations
http://www.kgblawfirm.com/pages.cfm?t=LinksResources&catID=8

ABOUT OUR FIRM

Katzman Garfinkel & Berger is a law firm proudly devoted to all aspects of community association representation. We do not represent developers, banks, insurance companies or other entities who may have interests adverse to our community association clientele. We presently represent more than 1,000 of the finest common interest ownership communities from our several offices located throughout the State of Florida.

Our firm is unique in that we have made a true commitment to providing our community association clients and their managers with the tools and resources they need on a daily basis. These resources include our very popular Board Member Boot Camp® series, our board member certification courses, our continuing manager education, Community Forums with guest legislators and experts, our Guidebook Series, as well as our Lending Library at our new Law and Learning Center.

KG&B is pleased to offer alternative choices to our clients as to how they wish to have the collection of their delinquent assessments handled including the option to have our Firm advance all fees and costs throughout the collection process. We also handle property damage claims against an association's insurance company and most construction defect cases on a full contingency basis; that is, no cost or fees of any kind unless there is a recovery to the Association. Our Covenant Enforcement Department is designed to help your community cure violations as quickly and painlessly as possible.

Katzman Garfinkel & Berger created the Community Advocacy Network (www.canfl.com) in 2007 to provide Florida's condominium, cooperative, homeowners' associations, timeshares and mobile home communities with a united voice on legislative and regulatory issues that can impact their real property values and lifestyles.

While some law firms are committed to lobbying for casinos, lobbying for developers, lobbying for contractors, setting up big and expensive offices in New York and Washington to lobby for corporate clients with big bucks to spend – while paying lip service, but giving short shrift to community association clients with limited budgets -- our law firm, Katzman Garfinkel & Berger, is "committed to community" and works solely and exclusively on behalf of our community association clients, both in our day-to-day lawyering and in our advocacy work on their behalf in the State capitol and at the local government level.

For all these reasons and more, we are the law firm to assist your community. Please take a moment to look through our website to learn more about us. For more information, please call us toll-free at 1-855-KGB-FIRM (1-855-542-3476) or email us at info@kgblawfirm.com.

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