

By Representative Ryan

1 A bill to be entitled
2 An act relating to condominiums; amending s.
3 718.116, F.S.; increasing the time period
4 during which certain mortgagees who acquire
5 title to a unit by foreclosure or by deed in
6 lieu of foreclosure may be liable for certain
7 unpaid assessments; increasing the maximum
8 limit on the responsibility for the payment of
9 certain unpaid assessments by such mortgagees;
10 providing for application; providing an
11 effective date.

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13 Be It Enacted by the Legislature of the State of Florida:

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15 Section 1. Paragraphs (b) and (e) of subsection (1) of
16 section 718.116, Florida Statutes, are amended to read:17 718.116 Assessments; liability; lien and priority;
18 interest; collection.--

19 (1)

20 (b)1. The liability of a first mortgagee or its
21 successor or assignees who acquire title to a unit by
22 foreclosure or by deed in lieu of foreclosure for the unpaid
23 assessments that became due prior to the mortgagee's
24 acquisition of title is limited to the lesser of:25 ~~a.1.~~ The unit's unpaid common expenses and regular
26 periodic assessments which accrued or came due during the 6
27 months immediately preceding the acquisition of title and for
28 which payment in full has not been received by the
29 association; or30 ~~b.2.~~ One percent of the original mortgage debt. The
31 provisions of this paragraph shall not apply unless the first

1 mortgagee joined the association as a defendant in the
2 foreclosure action. Joinder of the association is not required
3 if, on the date the complaint is filed, the association was
4 dissolved or did not maintain an office or agent for service
5 of process at a location which was known to or reasonably
6 discoverable by the mortgagee.

7 2. With respect to mortgages recorded after April 1,
8 2001, the liability of a mortgagee or its successor or
9 assignees who acquire title to a unit by foreclosure or by
10 deed in lieu of foreclosure for the unpaid assessments that
11 became due prior to the mortgagee's acquisition of title is
12 limited to the lesser of:

13 a. The unit's unpaid common expenses and regular
14 periodic assessments which accrued or came due during the 9
15 months immediately preceding the acquisition of title and for
16 which payment in full has not been received by the
17 association; or

18 b. Two percent of the original mortgage debt. The
19 provisions of this paragraph shall not apply unless the
20 mortgagee joined the association as a defendant in the
21 foreclosure action. Joinder of the association is not required
22 if, on the date the complaint is filed, the association was
23 dissolved or did not maintain an office or agent for service
24 of process at a location which was known to or reasonably
25 discoverable by the mortgagee.

26 (e) Notwithstanding the provisions of subparagraph
27 ~~paragraph (b)1.~~, a first mortgagee or its successor or
28 assignees who acquire title to a condominium unit as a result
29 of the foreclosure of the mortgage or by deed in lieu of
30 foreclosure of the mortgage shall be exempt from liability for
31 all unpaid assessments attributable to the parcel or

1 chargeable to the previous owner which came due prior to
2 acquisition of title if the first mortgage was recorded prior
3 to April 1, 1992. If, however, the first mortgage was recorded
4 on or after April 1, 1992 and prior to April 1, 2001, or on
5 the date the mortgage was recorded, the declaration included
6 language incorporating by reference future amendments to this
7 chapter, the provisions of subparagraph ~~paragraph~~ (b)1. shall
8 apply. If, however, the mortgage was recorded after April 1,
9 2001, or on the date the mortgage was recorded, the
10 declaration included language incorporating by reference
11 future amendments to this chapter, the provisions of
12 subparagraph (b)2. shall apply.

13 Section 2. This act shall take effect upon becoming a
14 law.

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16 HOUSE SUMMARY

17 Provides that with respect to mortgages recorded after
18 April 1, 2001, the liability of any mortgagee who
19 acquires title to a condominium unit by foreclosure or
20 deed in lieu of foreclosure for the unpaid assessments
21 that became due prior to such acquisition is limited to
22 the lesser of the unit's unpaid common expenses and
23 regular periodic assessments which accrued or came due
24 during the 9 months immediately prior to the acquisition
25 of title and for which payment in full has not been
26 received by the association, or 2 percent of the original
27 mortgage debt. Provides for application.
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