

By the Committee on Real Property & Probate and  
Representatives Detert, Roberts and Brown

1                                   A bill to be entitled  
2           An act relating to condominium unit unpaid  
3           assessments; amending s. 718.116, F.S.;  
4           specifying nonapplication of certain assessment  
5           reduction or exemption provisions to a  
6           third-party purchaser at a foreclosure sale;  
7           providing a definition; providing an effective  
8           date.

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

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12           Section 1. Paragraph (g) is added to subsection (1) of  
13 section 718.116, Florida Statutes, to read:

14           718.116 Assessments; liability; lien and priority;  
15 interest; collection.--

16           (1)

17           (b) The liability of a first mortgagee or its  
18 successor or assignees who acquire title to a unit by  
19 foreclosure or by deed in lieu of foreclosure for the unpaid  
20 assessments that became due prior to the mortgagee's  
21 acquisition of title is limited to the lesser of:

22           1. The unit's unpaid common expenses and regular  
23 periodic assessments which accrued or came due during the 6  
24 months immediately preceding the acquisition of title and for  
25 which payment in full has not been received by the  
26 association; or

27           2. One percent of the original mortgage debt. The  
28 provisions of this paragraph shall not apply unless the first  
29 mortgagee joined the association as a defendant in the  
30 foreclosure action. Joinder of the association is not required  
31 if, on the date the complaint is filed, the association was

1 dissolved or did not maintain an office or agent for service  
2 of process at a location which was known to or reasonably  
3 discoverable by the mortgagee.

4 (e) Notwithstanding the provisions of paragraph (b), a  
5 first mortgagee or its successor or assignees who acquire  
6 title to a condominium unit as a result of the foreclosure of  
7 the mortgage or by deed in lieu of foreclosure of the mortgage  
8 shall be exempt from liability for all unpaid assessments  
9 attributable to the parcel or chargeable to the previous owner  
10 which came due prior to acquisition of title if the first  
11 mortgage was recorded prior to April 1, 1992. If, however, the  
12 first mortgage was recorded on or after April 1, 1992, or on  
13 the date the mortgage was recorded, the declaration included  
14 language incorporating by reference future amendments to this  
15 chapter, the provisions of paragraph (b) shall apply.

16 (g) The provisions of paragraphs (b) and (e) do not  
17 apply to a third-party purchaser at a foreclosure sale. For  
18 purposes of this paragraph, "third-party purchaser" means  
19 anyone other than a first mortgagee or a successor or assignee  
20 of a first mortgagee.

21 Section 2. This act shall take effect October 1, 2000.  
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