

By Senator Carlton

24-429-00

See HB

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

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

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

Section 1. Paragraphs (b) and (e) of subsection (1) of
section 718.116, Florida Statutes, are amended to read:

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

(1)

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

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

2. One percent of the original mortgage debt.

The provisions of this paragraph ~~shall not~~ apply only if
~~unless~~ the first mortgagee joined the association as a
defendant in the foreclosure action. Joinder of the
association is not required if, on the date the complaint is

1 filed, the association was dissolved or did not maintain an
2 office or agent for service of process at a location which was
3 known to or reasonably discoverable by the mortgagee. The
4 provisions of this paragraph apply at a foreclosure sale only
5 to a first mortgagee or its successor or assignee.

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

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

21 *****

22
23 SENATE SUMMARY

24 Specifies that a reduction in liability for unpaid
25 condominium unit assessments or an exemption from unpaid
26 condominium unit assessments apply at a foreclosure sale
27 only to a first mortgagee or its successor or assignee.
28
29
30
31