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1	A bill to be entitled
2	An act relating to residential communities; amending
3	s. 468.431, F.S.; revising the term "community
4	association management"; creating s. 468.4334, F.S.;
5	providing powers and duties of community association
6	managers and community association management firms;
7	authorizing the indemnification of a community
8	association manager or community association
9	management firm under certain conditions; amending s.
10	718.116, F.S.; requiring a release of lien to be in a
11	specific form; requiring a pre-foreclosure notice to
12	be in a specific form; amending s. 718.121, F.S.;
13	requiring a pre-lien notice to be in a specific form;
14	amending s. 719.108, F.S.; deleting a provision
15	providing for the expiration of certain liens;
16	revising notice requirements; requiring a pre-lien
17	notice to be in a specific form; providing for
18	execution and effect of lien; providing for the
19	content of a recording notice; requiring a release of
20	lien to be in a specific form; amending s. 720.3085,
21	F.S.; requiring a release of lien to be in a specific
22	form; requiring a pre-lien notice to be in a specific
23	form; requiring a pre-foreclosure notice to be in a
24	specific form; providing requirements for the
25	execution of a claim of lien; providing an effective
26	date.
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27	
28	Be It Enacted by the Legislature of the State of Florida:
29	
30	Section 1. Subsection (2) of section 468.431, Florida
31	Statutes, is amended to read:
32	468.431 Definitions.—As used in this part:
33	(2) "Community association management" means any of the
34	following practices requiring substantial specialized knowledge,
35	judgment, and managerial skill when done for remuneration and
36	when the association or associations served contain more than 10
37	units or have an annual budget or budgets in excess of \$100,000:
38	controlling or disbursing funds of a community association,
39	preparing budgets or other financial documents for a community
40	association, assisting in the noticing or conduct of community
41	association meetings, determining the number of days required
42	for statutory notices, determining amounts due to the
43	association, collecting amounts due to the association before
44	the filing of a civil action, calculating the votes required for
45	a quorum or to approve a proposition or amendment, completing
46	forms related to the management of a community association that
47	have been created by statute or by a state agency, drafting
48	meeting notices and agendas, calculating and preparing
49	certificates of assessment and estoppel certificates, responding
50	to requests for certificates of assessment and estoppel
51	certificates, negotiating monetary or performance terms of a
52	contract subject to approval by an association, drafting
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53	prearbitration demands, coordinating or performing maintenance
54	for real or personal property and other related routine services
55	involved in the operation of a community association, and
56	complying with the association's governing documents and the
57	requirements of law as necessary to perform such practices and
58	coordinating maintenance for the residential development and
59	other day-to-day services involved with the operation of a
60	community association. A person who performs clerical or
61	ministerial functions under the direct supervision and control
62	of a licensed manager or who is charged only with performing the
63	maintenance of a community association and who does not assist
64	in any of the management services described in this subsection
65	is not required to be licensed under this part.
66	Section 2. Section 468.4334, Florida Statutes, is created
67	to read:
68	468.4334 Professional practice standards; liability
69	(1) A community association manager or a community
70	association management firm are deemed to act as agent on behalf
71	of a community association as principal within the scope of
72	authority authorized by a written contract or under this
73	chapter. A community association manager and a community
74	association management firm shall discharge duties performed on
75	behalf of the association as authorized by this chapter loyally,
76	skillfully, and diligently; dealing honestly and fairly; in good
77	faith; with care and full disclosure to the community
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78	association; accounting for all funds; and not charging
79	unreasonable or excessive fees.
80	(2) (a) A contract between a community association and a
81	community association manager or a contract between a community
82	association and a community association management firm may
83	provide that the community association indemnifies and holds
84	harmless the community association manager and the community
85	association management firm for ordinary negligence resulting
86	from the manager or management firm's act or omission that is
87	the result of an instruction or direction of the community
88	association. This paragraph does not preclude any other
89	negotiated indemnity or hold harmless provision.
90	(b) Indemnification under paragraph (a) may not cover any
91	act or omission that violates a criminal law; derives an
92	improper personal benefit, either directly or indirectly; is
93	grossly negligent; or is reckless, is in bad faith, is with
94	malicious purpose, or is in a manner exhibiting wanton and
95	willful disregard of human rights, safety, or property.
96	Section 3. Paragraph (d) is added to subsection (5) of
97	section 718.116, Florida Statutes, and subsection (6) of that
98	section is amended, to read:
99	718.116 Assessments; liability; lien and priority;
100	interest; collection
101	(5)
102	(d) A release of lien must be in substantially the
103	following form:
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104	
105	RELEASE OF LIEN
106	The undersigned lienor, in consideration of the final payment in
107	the amount of $\$$ , hereby waives and releases its lien and
108	right to claim a lien for unpaid assessments through,
109	(year), recorded in the Official Records Book at Page
110	, of the public records of County, Florida, for the
111	following described real property:
112	
113	UNIT NO OF (NAME OF CONDOMINIUM), A
114	CONDOMINIUM AS SET FORTH IN THE DECLARATION OF
115	CONDOMINIUM AND THE EXHIBITS ANNEXED THERETO AND
116	FORMING A PART THEREOF, RECORDED IN OFFICIAL RECORDS
117	BOOK, PAGE, OF THE PUBLIC RECORDS OF
118	COUNTY, FLORIDA. THE ABOVE DESCRIPTION INCLUDES, BUT
119	IS NOT LIMITED TO, ALL APPURTENANCES TO THE
120	CONDOMINIUM UNIT ABOVE DESCRIBED, INCLUDING THE
121	UNDIVIDED INTEREST IN THE COMMON ELEMENTS OF SAID
122	CONDOMINIUM.
123	
124	(Signature of Authorized Agent)(Signature of Witness)
125	(Print Name)
126	
127	(Signature of Witness)
128	(Print Name)
129	
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130	Sworn to (or affirmed) and subscribed before me this $\ldots$ day of
131	,(year), by(name of person making statement)
132	(Signature of Notary Public)
133	(Print, type, or stamp commissioned name of Notary Public)
134	Personally Known OR Produced as identification.
135	
136	After notice of contest of lien has been recorded, the clerk of
137	the circuit court shall mail a copy of the recorded notice to
138	the association by certified mail, return receipt requested, at
139	the address shown in the claim of lien or most recent amendment
140	to it and shall certify to the service on the face of the
141	notice. Service is complete upon mailing. After service, the
142	association has 90 days in which to file an action to enforce
143	the lien; and, if the action is not filed within the 90-day
144	period, the lien is void. However, the 90-day period shall be
145	extended for any length of time during which the association is
146	prevented from filing its action because of an automatic stay
147	resulting from the filing of a bankruptcy petition by the unit
148	owner or by any other person claiming an interest in the parcel.
149	(6)(a) The association may bring an action in its name to
150	foreclose a lien for assessments in the manner a mortgage of
151	real property is foreclosed and may also bring an action to
152	recover a money judgment for the unpaid assessments without
153	waiving any claim of lien. The association is entitled to
154	recover its reasonable attorney's fees incurred in either a lien
155	foreclosure action or an action to recover a money judgment for <b>Page6 of 22</b>

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156 unpaid assessments.

(b) No foreclosure judgment may be entered until at least 30 days after the association gives written notice to the unit owner of its intention to foreclose its lien to collect the unpaid assessments. <u>The notice must be in substantially the</u> following form:

162	
163	DELINQUENT ASSESSMENT
164	This letter is to inform you a Claim of Lien has been
165	filed against your property because you have not paid
166	the(type of assessment) assessment to(name
167	of association) The association intends to
168	foreclose the lien and collect the unpaid amount
169	within 30 days of this letter being provided to you.
170	
171	You owe the interest accruing from(month/year)
172	to the present. As of the date of this letter, the
173	total amount due with interest is \$ All costs of
174	any action and interest from this day forward will
175	also be charged to your account.
176	
177	Any questions concerning this matter should be
178	directed to (insert name, addresses, and telephone
179	numbers of association representative)
180	
181	If this notice is not given at least 30 days before the <b>Page7 of 22</b>

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182 foreclosure action is filed, and if the unpaid assessments, 183 including those coming due after the claim of lien is recorded, 184 are paid before the entry of a final judgment of foreclosure, the association shall not recover attorney's fees or costs. The 185 186 notice must be given by delivery of a copy of it to the unit owner or by certified or registered mail, return receipt 187 requested, addressed to the unit owner at his or her last known 188 address; and, upon such mailing, the notice shall be deemed to 189 190 have been given, and the court shall proceed with the 191 foreclosure action and may award attorney's fees and costs as 192 permitted by law. The notice requirements of this subsection are 193 satisfied if the unit owner records a notice of contest of lien 194 as provided in subsection (5). The notice requirements of this 195 subsection do not apply if an action to foreclose a mortgage on 196 the condominium unit is pending before any court; if the rights 197 of the association would be affected by such foreclosure; and if 198 actual, constructive, or substitute service of process has been 199 made on the unit owner.

200 Section 4. Subsection (4) of section 718.121, Florida 201 Statutes, is amended to read:

202

718.121 Liens.-

(4) Except as otherwise provided in this chapter, no lien
may be filed by the association against a condominium unit until
30 days after the date on which a notice of intent to file a
lien has been delivered to the owner by registered or certified
mail, return receipt requested, and by first-class United States
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227

231

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208 mail to the owner at his or her last address as reflected in the 209 records of the association, if the address is within the United 210 States, and delivered to the owner at the address of the unit if 211 the owner's address as reflected in the records of the 212 association is not the unit address. If the address reflected in 213 the records is outside the United States, sending the notice to 214 that address and to the unit address by first-class United 215 States mail is sufficient. Delivery of the notice shall be 216 deemed given upon mailing as required by this subsection. The 217 notice must be in substantially the following form: 218 219 NOTICE OF INTENT TO RECORD A CLAIM OF LIEN 220 221 RE: Unit .... of ... (name of association)... 222 223 The following amounts are currently due on your 224 account to ... (name of association) ..., and must be 225 paid within 30 days after your receipt of this letter. 226 This letter shall serve as the association's notice of

intent to record a Claim of Lien against your property

228 <u>no sooner than 30 days after your receipt of this</u>
229 <u>letter, unless you pay in full the amounts set forth</u>
230 below:

 232
 Maintenance due ... (dates)...
 \$....

 233
 Late fee, if applicable
 \$....

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234	Interest through (dates)* \$
235	Certified mail charges \$
236	Other costs \$
237	TOTAL OUTSTANDING \$
238	
239	*Interest accrues at the rate of percent per
240	annum.
241	Section 5. Subsections (3) and (4) of section 719.108,
242	Florida Statutes, are amended to read:
243	719.108 Rents and assessments; liability; lien and
244	priority; interest; collection; cooperative ownership
245	(3) Rents and assessments, and installments on them, not
246	paid when due bear interest at the rate provided in the
247	cooperative documents from the date due until paid. This rate
248	may not exceed the rate allowed by law and, if a rate is not
249	provided in the cooperative documents, accrues at 18 percent per
250	annum. If the cooperative documents or bylaws so provide, the
251	association may charge an administrative late fee in addition to
252	such interest, not to exceed the greater of \$25 or 5 percent of
253	each installment of the assessment for each delinquent
254	installment that the payment is late. Any payment received by an
255	association must be applied first to any interest accrued by the
256	association, then to any administrative late fee, then to any
257	costs and reasonable <u>attorney</u> attorney's fees incurred in
258	collection, and then to the delinquent assessment. The foregoing
259	applies notwithstanding any restrictive endorsement, Page 10 of 22

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260 designation, or instruction placed on or accompanying a payment. 261 A late fee is not subject to chapter 687 or s. 719.303(4). 262 The association has a lien on each cooperative parcel (4) 263 for any unpaid rents and assessments, plus interest, and any 264 authorized administrative late fees. If authorized by the 265 cooperative documents, the lien also secures reasonable attorney 266 attorney's fees incurred by the association incident to the 267 collection of the rents and assessments or enforcement of such lien. The lien is effective from and after recording a claim of 268 269 lien in the public records in the county in which the 270 cooperative parcel is located which states the description of 271 the cooperative parcel, the name of the unit owner, the amount 272 due, and the due dates. The lien expires if a claim of lien is 273 not filed within 1 year after the date the assessment was due, 274 and the lien does not continue for longer than 1 year after the 275 claim of lien has been recorded unless, within that time, an 276 action to enforce the lien is commenced. Except as otherwise 277 provided in this chapter, a lien may not be filed by the 278 association against a cooperative parcel until 30 days after the date on which a notice of intent to file a lien has been 279 280 delivered to the owner. The notice must be sent to the unit owner at the 281 (a) 282 address of the unit by first-class United States mail and the notice must be in substantially the following form: 283 284 285 NOTICE OF INTENT TO RECORD A CLAIM OF LIEN Page 11 of 22

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286	
287	RE: Unit(unit number) of(name of
288	cooperative)
289	
290	The following amounts are currently due on your
291	account to (name of association), and must be
292	paid within 30 days after your receipt of this letter.
293	This letter shall serve as the association's notice of
294	intent to record a Claim of Lien against your property
295	no sooner than 30 days after your receipt of this
296	letter, unless you pay in full the amounts set forth
297	below:
298	
299	Maintenance due(dates) \$
300	Late fee, if applicable \$
301	Interest through (dates) * \$
302	Certified mail charges \$
303	Other costs \$
304	TOTAL OUTSTANDING \$
305	
306	*Interest accrues at the rate of percent per
307	annum.
308	1. If the most recent address of the unit owner on the
309	records of the association is the address of the unit, the
310	notice must be sent by <del>registered or</del> certified mail, return
311	receipt requested, to the unit owner at the address of the unit. Page 12 of 22 $\label{eq:page12}$

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312 2. If the most recent address of the unit owner on the 313 records of the association is in the United States, but is not 314 the address of the unit, the notice must be sent by registered 315 or certified mail, return receipt requested, to the unit owner 316 at his or her most recent address.

317 3. If the most recent address of the unit owner on the 318 records of the association is not in the United States, the 319 notice must be sent by first-class United States mail to the 320 unit owner at his or her most recent address.

321 (b) A notice that is sent pursuant to this subsection is 322 deemed delivered upon mailing. A claim of lien must be executed 323 and acknowledged by an officer or authorized agent of the 324 association. The lien is not effective 1 year after the claim of 325 lien was recorded unless, within that time, an action to enforce the lien is commenced. The 1-year period is automatically 326 327 extended for any length of time during which the association is 328 prevented from filing a foreclosure action by an automatic stay 329 resulting from a bankruptcy petition filed by the parcel owner 330 or any other person claiming an interest in the parcel. The 331 claim of lien secures all unpaid rents and assessments that are 332 due and that may accrue after the claim of lien is recorded and 333 through the entry of a final judgment, as well as interest and 334 all reasonable costs and attorney fees incurred by the 335 association incident to the collection process. Upon payment in 336 full, the person making the payment is entitled to a 337 satisfaction of the lien. Page 13 of 22

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338	(c) By recording a notice in substantially the following
339	form, a unit owner or the unit owner's agent or attorney may
340	require the association to enforce a recorded claim of lien
341	against his or her cooperative parcel:
342	
343	NOTICE OF CONTEST OF LIEN
344	
345	TO: (Name and address of association):
346	
347	You are notified that the undersigned contests the
348	claim of lien filed by you on,(year), and
349	recorded in Official Records Book at Page,
350	of the public records of County, Florida, and
351	that the time within which you may file suit to
352	enforce your lien is limited to 90 days from the date
353	of service of this notice. Executed this day of
354	,(year)
355	Signed: (Owner or Attorney)
356	
357	After notice of contest of lien has been recorded, the clerk of
358	the circuit court shall mail a copy of the recorded notice to
359	the association by certified mail, return receipt requested, at
360	the address shown in the claim of lien or most recent amendment
361	to it and shall certify to the service on the face of the
362	notice. Service is complete upon mailing. After service, the
363	association has 90 days in which to file an action to enforce
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364	the lien. If the action is not filed within the 90-day period,
365	the lien is void. However, the 90-day period shall be extended
366	for any length of time during which the association is prevented
367	from filing its action because of an automatic stay resulting
368	from the filing of a bankruptcy petition by the unit owner or by
369	any other person claiming an interest in the parcel.
370	(d) A release of lien must be in substantially the
371	following form:
372	
373	RELEASE OF LIEN
374	The undersigned lienor, in consideration of the final payment in
375	the amount of \$, hereby waives and releases its lien and
376	right to claim a lien for unpaid assessments through,
377	(year), recorded in the Official Records Book at Page
378	, of the public records of County, Florida, for the
379	following described real property:
380	
381	THAT COOPERATIVE PARCEL WHICH INCLUDES UNIT NO
382	OF (NAME OF COOPERATIVE), A COOPERATIVE AS SET
383	FORTH IN THE COOPERATIVE DOCUMENTS AND THE EXHIBITS
384	ANNEXED THERETO AND FORMING A PART THEREOF, RECORDED
385	IN OFFICIAL RECORDS BOOK, PAGE, OF THE
386	PUBLIC RECORDS OF COUNTY, FLORIDA.
387	
388	(Signature of Authorized Agent)(Signature of Witness)
389	(Print Name)
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390	
391	(Signature of Witness)
392	(Print Name)
393	
394	Sworn to (or affirmed) and subscribed before me this $\ldots$ day of
395	,(year), by(name of person making statement)
396	(Signature of Notary Public)
397	(Print, type, or stamp commissioned name of Notary Public)
398	Personally Known OR Produced as identification.
399	Section 6. Paragraphs (d) and (e) of subsection (1) of
400	section 720.3085, Florida Statutes, are redesignated as
401	paragraphs (e) and (f), respectively, paragraph (a) of
402	subsection (1), paragraph (b) of subsection (3), and subsections
403	(4) and (5) are amended, and a new paragraph (d) is added to
404	subsection (1) of that section, to read:
405	720.3085 Payment for assessments; lien claims
406	(1) When authorized by the governing documents, the
407	association has a lien on each parcel to secure the payment of
408	assessments and other amounts provided for by this section.
409	Except as otherwise set forth in this section, the lien is
410	effective from and shall relate back to the date on which the
411	original declaration of the community was recorded. However, as
412	to first mortgages of record, the lien is effective from and
413	after recording of a claim of lien in the public records of the
414	county in which the parcel is located. This subsection does not
415	bestow upon any lien, mortgage, or certified judgment of record <b>Page 16 of 22</b>

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416	on July 1, 2008, including the lien for unpaid assessments
417	created in this section, a priority that, by law, the lien,
418	mortgage, or judgment did not have before July 1, 2008.
419	(a) To be valid, a claim of lien must state the
420	description of the parcel, the name of the record owner, the
421	name and address of the association, the assessment amount due,
422	and the due date. The claim of lien secures all unpaid
423	assessments that are due and that may accrue subsequent to the
424	recording of the claim of lien and before entry of a certificate
425	of title, as well as interest, late charges, and reasonable
426	costs and <u>attorney</u> attorney's fees incurred by the association
427	incident to the collection process. The person making payment is
428	entitled to a satisfaction of the lien upon payment in full.
429	(d) A release of lien must be in substantially the
430	following form:
431	
432	RELEASE OF LIEN
433	The undersigned lienor, in consideration of the final payment in
434	the amount of $\$$ , hereby waives and releases its lien and
435	right to claim a lien for unpaid assessments through,
436	(year), recorded in the Official Records Book at Page
437	, of the public records of County, Florida, for the
438	following described real property:
439	
440	(PARCEL NO OR LOT AND BLOCK) OF (subdivision
441	name)SUBDIVISION AS SHOWN IN THE PLAT THEREOF,
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442	RECORDED AT PLAT BOOK, PAGE, OF THE OFFICIAL
443	RECORDS OFCOUNTY, FLORIDA.
444	
445	(or insert appropriate metes and bounds description
446	here)
447	
448	(Signature of Authorized Agent)(Signature of Witness)
449	(Print Name)
450	
451	(Signature of Witness)
452	(Print Name)
453	
454	Sworn to (or affirmed) and subscribed before me this day of
455	,(year), by(name of person making statement)
456	(Signature of Notary Public)
457	(Print, type, or stamp commissioned name of Notary Public)
458	Personally Known OR Produced as identification.
459	(3) Assessments and installments on assessments that are
460	not paid when due bear interest from the due date until paid at
461	the rate provided in the declaration of covenants or the bylaws
462	of the association, which rate may not exceed the rate allowed
463	by law. If no rate is provided in the declaration or bylaws,
464	interest accrues at the rate of 18 percent per year.
465	(b) Any payment received by an association and accepted
466	shall be applied first to any interest accrued, then to any
467	administrative late fee, then to any costs and reasonable Page 18 of 22

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468 <u>attorney</u> attorney's fees incurred in collection, and then to the 469 delinquent assessment. This paragraph applies notwithstanding 470 any restrictive endorsement, designation, or instruction placed 471 on or accompanying a payment. A late fee is not subject to the 472 provisions of chapter 687 and is not a fine.

(4) A homeowners' association may not file a record of lien against a parcel for unpaid assessments unless a written notice or demand for past due assessments as well as any other amounts owed to the association pursuant to its governing documents has been made by the association. The written notice or demand must:

(a) Provide the owner with 45 days following the date the
notice is deposited in the mail to make payment for all amounts
due, including, but not limited to, any attorney's fees and
actual costs associated with the preparation and delivery of the
written demand. <u>The notice must be in substantially the</u>
following form:

485 486 NOTICE OF INTENT TO RECORD A CLAIM OF LIEN 487 488 RE: Parcel or (lot/block)...(lot/parcel number)... of 489 ... (name of association) ... 490 491 The following amounts are currently due on your 492 account to ... (name of association) ..., and must be paid within 45 days after your receipt of this letter. 493 Page 19 of 22

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494	This letter shall serve as the association's notice of
495	intent to record a Claim of Lien against your property
496	no sooner than 45 days after your receipt of this
497	letter, unless you pay in full the amounts set forth
498	below:
499	
500	Maintenance due(dates) \$
501	Late fee, if applicable \$
502	Interest through (dates)* \$
503	Certified mail charges \$
504	Other costs \$
505	TOTAL OUTSTANDING \$
506	
507	*Interest accrues at the rate of percent per
508	annum.
509	(b) Be sent by registered or certified mail, return
510	receipt requested, and by first-class United States mail to the
511	parcel owner at his or her last address as reflected in the
512	records of the association, if the address is within the United
513	States, and to the parcel owner subject to the demand at the
514	address of the parcel if the owner's address as reflected in the
515	records of the association is not the parcel address. If the
516	address reflected in the records is outside the United States,
517	then sending the notice to that address and to the parcel
518	address by first-class United States mail is sufficient.
519	(5) The association may bring an action in its name to <b>Page 20 of 22</b>

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520 foreclose a lien for unpaid assessments secured by a lien in the 521 same manner that a mortgage of real property is foreclosed and 522 may also bring an action to recover a money judgment for the 523 unpaid assessments without waiving any claim of lien. The action 524 to foreclose the lien may not be brought until 45 days after the 525 parcel owner has been provided notice of the association's 526 intent to foreclose and collect the unpaid amount. The notice 527 must be given in the manner provided in paragraph (4)(b), and 528 the notice may not be provided until the passage of the 45 days 529 required in paragraph (4)(a). The notice must be in 530 substantially the following form: 531 532 DELINQUENT ASSESSMENT 533 This letter is to inform you a Claim of Lien has been filed 534 against your property because you have not paid the ... (type of 535 assessment) ... assessment to ... (name of association) .... The 536 association intends to foreclose the lien and collect the unpaid 537 amount within 45 days of this letter being provided to you. 538 539 You owe the interest accruing from ... (month/year) ... to the 540 present. As of the date of this letter, the total amount due with interest is \$.... All costs of any action and interest 541 542 from this day forward will also be charged to your account. 543 544 Any questions concerning this matter should be directed to 545 (insert name, addresses, and telephone numbers of association

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#### 546 <u>representative</u>).

(a) The association may recover any interest, late
charges, costs, and reasonable attorney's fees incurred in a
lien foreclosure action or in an action to recover a money
judgment for the unpaid assessments.

(b) The time limitations in this subsection do not apply if the parcel is subject to a foreclosure action or forced sale of another party, or if an owner of the parcel is a debtor in a bankruptcy proceeding.

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Section 7. This act shall take effect July 1, 2014.

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