

HB 601 APPROVED BY GOVERNOR; EFFECTIVE DATE IS JULY 1, 2008

July 1, 2008

HB 601 impacts a number of different areas including, but not limited to, condominium insurance and reconstruction after casualty; condominium common expenses; and estoppel certificates. The following is a summary of HB 601. For a more detailed explanation, please review our CALL Alerts from May 9, 2008 and June 5, 2008.

The new law completely rewrites Section 718.111(11) involving insurance and reconstruction after casualty for condominium associations and deals with the following subjects:

- Adequate Insurance
- Self-Insurance and Pooling
- Deductible
- Association Insurance Responsibility
- Unit Owner Insurance Responsibility
- Responsibility for Reconstruction after Casualty
- Cost of Reconstruction after Casualty

The new law also deals with the following subjects:

Common Expenses for Fire Safety Equipment or Water and Sewer Service where a Master Meter Serves the Condominium. The new law addresses when expenses such as fire safety equipment or water and sewer service can be charged as a common expense.

Estoppel Certificates (Condominium and Homeowners' Associations). The new law addresses estoppel certificates, when the Association can charge for the preparation of the estoppel certificate, and when the fee can be refunded.

Board Member Abstentions (Condominium Associations). This change will supersede the board member abstention provision in HB 995. It will permit directors to abstain even if they do not have a conflict. Further, a director who abstains will be presumed to have taken no position with regard to the action.

Division Powers and Duties. Changes name of Division to Division of Florida Condominiums, Time Shares and Mobile Homes and gives Division additional powers to enforce the law.

Termination of Condominiums. Amended to clarify the distribution of proceeds when a condominium is terminated and sold. With regard to purchase-money lienholders, the distribution may not exceed a unit owner's share of the proceeds.