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UPDATES TO COLLECTION AND NOTICE REQUIREMENTS FOR ALL COMMUNITY ASSOCIATIONS

June 23, 2021

(Via e-mail)

Dear Client/Property Manager:

We hope this correspondence finds you and your family safe and well. The 2021 legislative session was a busy one! Though there are only two (2) main bills that will have an impact on community associations, those bills contain a substantial number of changes that may affect your homeowners association or condominium association. The purpose of this update is to focus only on Senate Bill 56, which goes into effect on July 1, 2021 and impacts various requirements related to collections and assessment notices. Please look for another update from us shortly with a summary of the other changes.

Changes applicable to condos and HOAs:

- If the Association sends out an invoice for assessments or a statement of the account, then it must be delivered to the owner by first class mail or by electronic transmission to the owner's e-mail address maintained in the Association's official records. [**Note:** this should only be sent by e-mail if the owner has consented in writing to receiving Association notices via e-mail]
- Before changing the method of delivery for an invoice for assessments or the statement of the account, the Association must deliver a written notice of such change to each owner. The written notice must be delivered to the owner at least **30 days** before the Association sends the invoice or the statement of the account by the new delivery method. The notice must be sent by first-class mail to the owner at his or her last address as reflected in the Association's records and, if such address is not the property address, then it must also be sent by first-class mail to the property address.

- An owner must affirmatively acknowledge his or her understanding that the Association will change its method of delivery of the invoice for assessments or the statement of the account before the Association may change the method of delivering an invoice for assessments or the statement of account. The owner may make the affirmative acknowledgment electronically or in writing.
 - Though these affirmative acknowledgements received from owners should be maintained with the official records of the Association, the acknowledgements are not accessible to other owners pursuant to a records request.
- **IMPORTANT:** The Association may not require payment of attorney fees related to a past due assessment without first delivering a written notice of late assessment to the owner which specifies the amount owed the Association and provides the owner with an opportunity to pay the amount owed without having to pay attorney fees. The notice must give the owner at least 30 days to pay from the date of the letter and should provide a detailed breakdown of the amounts owed. The notice must be sent by first-class mail to the owner at his or her last address as reflected in the Association's records and, if such address is not the property address, then it must also be sent by first-class mail to the property address. The notice must be in substantially the form on the following page.
 - The notice is deemed to have been delivered when it is mailed as required above. A rebuttable presumption that the Association mailed the notice in accordance with the statute is established if a board member, officer, or agent of the association, or the property manager provides a sworn affidavit attesting to such mailing.

Changes applicable to condos only:

- Prior to recording a lien against a condominium unit or foreclosing on that lien, the Association must give the owner **45 days' notice** (instead of the previously required 30 days' notice)

If there are any questions I can answer in this regard, please let me know.

Sincerely,

E. Bachove (e-mail signature)

EVAN R. BACHOVE

NOTICE OF LATE ASSESSMENT

RE: Unit of ...(name of association)...

The following amounts are currently due on your account to ...(name of association)..., and must be paid within 30 days of the date of this letter. This letter shall serve as the association's notice to proceed with further collection action against your property no sooner than 30 days of the date of this letter, unless you pay in full the amounts set forth below:

Maintenance due ...(dates)...	\$.....
Late fee, if applicable	\$.....
Interest through ...(dates)...*	\$.....
TOTAL OUTSTANDING	\$.....

*Interest accrues at the rate of percent per annum.