

March 2, 2011

Money

Should delinquent condo owners lose Internet, TV service?

The remedy is a part of a new bill aimed at punishing owners behind in community association payments

Fail to pay your Florida condominium association maintenance fees long enough and you may soon find yourself without Internet and TV service.

Cutting access to e-mail, along with favorite websites and TV shows, is the newest remedy tucked into legislation that attempts to place a greater squeeze on chronically delinquent condo owners. The bill is expected to be taken up when the Legislature reconvenes on March 8.

Condo communities and homeowners associations across the state have suffered revenue losses due to the economic downturn and foreclosure crisis, which have left many owners unable or unwilling to pay community maintenance fees and assessments. The bill introduced by Sen. Gwen Margolis, D-<u>Sunny Isles</u>, would further a trend of punishing delinquent owners by taking away amenities.

Florida law now allows condo and homeowners associations to ban owners behind in payments from common areas, such as pools and clubhouses. But those powers could be expanded to shut off Internet and paid television services.

"I feel strongly that this bill should be the law. Associations would benefit greatly by having their associations have the ability to disconnect cable service," said Leo Delgado, president of Converged Services Inc. The <u>Fort Lauderdale</u>-based company — also known as <u>CSI</u> — negotiates bulk cable and satellite TV, Internet and telephone service contracts on the behalf of condo and homeowner communities.

"Associations we represent are willing to reimburse the cable company for a reasonable amount of the cost involved in disconnecting these people," Delgado said, as a way to pressure delinquent owners to pay overdue maintenance fees.

Delgado said some of his association clients are even willing to continue to pay the full original contract "as long as they maintain the leverage to disconnect the delinquent association member."

Last year the Legislature reacted to an outcry by associations demanding more authority to deal with delinquents, enacting the law this past summer allowing condo and homeowners associations to stop owners behind in payments by 90 days or more from using so-called common areas.

The Margolis bill, <u>SB</u> 712, adds language to the law that defines common areas as — but not limited to — recreational facilities, pools, gyms and meeting rooms. But the bill goes further by adding Internet and cable television services for the first time to the list of common amenities that

may be cut off. The bill also makes clear the associations may not shut down water and electricity services.

Expect associations with delinquent owner problems to be supportive of the bill, not so much for delinquent owners who may be having a tough time making ends meet, said <u>Dennis J. Eisinger</u>, of the community association law firm <u>Eisinger</u>, **Brown**, Lewis, Frankel & Chalet.

"Most American's can't live without their TV. It sounds silly, but it's a reality," Eisinger said. On the other hand, he says, "paying owners who are subsidizing the non-payers greatly resent the fact that the non-payers are using association services such as cable TV and the pool."

But the bill may have shortcomings.

While last year's law allowing associations to cut access to common areas applies to both condo and homeowners communities, the new bill so far only covers condo communities.

And as Eisinger points out, TV service companies may not want the administrative hassle of cutting off services to individual units and may fear that the condo associations will only want to pay for bulk service for units actually receiving cable TV.

"I would hope that Legislators go a little further with this bill and ultimately require cable company compliance," Eisinger said. "To the extent that the federal telecommunications laws so permit."

If you would like to follow the progress of SB 712 or any other bill, go to <u>http://www.flsenate.gov</u> or <u>http://www.myfloridahouse.gov</u> and type in a bill number or keyword such as "condominium" or "homeowners."

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