



## Renters may be forced to pay for deadbeat condo owners

Getting locked out of his rented South Florida condominium was Zach Smith's first clue something was terribly wrong. The condo association disabled Smith's security key card and electronic garage door opener one day this summer, cutting access to the Hallandale Beach complex and his \$900-a-month, furnished one-bedroom unit.

The lock-out, Smith soon learned, was in response to his landlord, the actual unit owner, falling behind in condo association maintenance fees. And what happened to him could happen to anyone in Florida renting within a shared condo or homeowners community as a result of newly-passed laws.

Smith's unfettered access to his condo and service to his security key card and garage door opener were restored after he agreed to pay his rent to the association while it collects back



payments from his landlord. "I was advised my landlord was behind in payments so I would have to pay my rent to the association," said Smith, 31, an analyst with a local energy company. "I understand as long as I pay the association I can stay."

Smith's landlord, who asked not to be identified, said she has no problem with the new state law. Diego Leon, property manager for The Hemispheres Condominium Association, which governs Smith's complex, said about a dozen delinquent owners have made arrange-

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ments to allow the association to collect rent from tenants.

New state laws now allow condo and homeowners associations to demand rent money from tenants of owners in arrears with the association. Refuse to pay and you could face eviction.

These pay-or-go powers are provided under the Florida Distressed Condominium Relief Act, signed in June by Gov. Charlie Crist to help cash-strapped associations cope with widespread delinquencies caused by the recent bad economy and real estate market.

When multiple owners stop paying, associations must cut back on services (lawn, security, garbage) and/or raise assessments

for the owners who already pay maintenance fees.

"This is a huge problem prevalent in most condo and homeowners communities," said Roberto Blanch, an attorney with Siegfried, Rivera, Lerner, De La Torre & Sobel, which represents associations, owners and tenants in Broward, Palm Beach and Miami-Dade counties. Often, he said, delinquent owners "are investors who bought during the boom, rented out their units and are still collecting rent but not paying their maintenance fees."

The new laws not only help associations get their hands on that money they also protect tenants from facing repercussions, including eviction or law suits instigated by their landlord for paying the association instead of the owner.

To protect owners, the

law also prohibits associations from collecting more money than is owned the association by a delinquent owner. For example, if a tenant owes \$1,000 a month for rent and the owner is only behind \$500 in maintenance fees, the association may only collect \$500 in rent.

Critics say the new laws have flaws. For example, wording of the provisions make it unclear whether associations may only collect rent to pay off debts incurred after the law took effect on July 1 or for debts incurred prior as well.

And associations must cover legal and courts costs to evict a tenant. And after that, the delinquent owner is not obligated to rent out their unit, ending the rental money stream that potentially existed for the association before the tenant was evicted.

For Smith, the law seems

to be working out fine so far. He said his landlord accepts the fact that he must pay the association. "And I have no problem giving my rent money to the association, I pay someone either way," he said. "I just want to keep living here."

*Daniel Vasquez can be reached at [condocolumn@sunsentinel.com](mailto:condocolumn@sunsentinel.com) or 954-356-4219 or 561-243-6686. His condo column runs Wednesdays in Your Money and at [sunsentinel.com/condos](http://sunsentinel.com/condos). Check out Daniel's Condos & HOAs blog for news, information and tips related to life in community associations at [sunsentinel.com/condoblog](http://sunsentinel.com/condoblog). You can also read his consumer column Mondays in Your Money and at [sunsentinel.com/vasquez](http://sunsentinel.com/vasquez).*