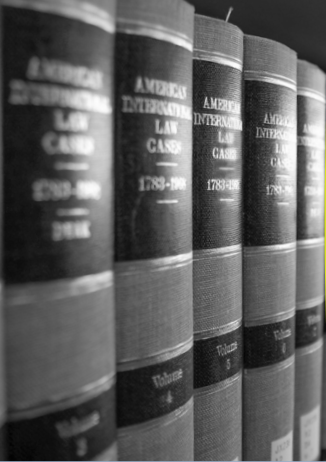




RUGGIERI
LAW FIRM



QUARTERLY NEWSLETTER

APRIL 2025





CTA Update

FRANK A. RUGGIERI

The Financial Crimes Enforcement Network (FinCEN) of the U.S. Department of the Treasury has issued an interim final rule that **removes the requirement for US companies and individuals to report beneficial ownership information under the Corporate Transparency Act**. The interim final rule revises the definition of reporting company in its implementation regulations to mean only those entities that are formed under the law of a foreign country and have registered to do business in any US state or tribal jurisdiction ("foreign reporting companies"). Under the interim final rule, all entities created in the United States will be exempt from the requirement to report beneficial ownership information to FinCEN. Consequently, we are comfortable in stating at this time that community associations need not be concerned with complying with the Corporate Transparency Act based upon FinCEN's interim final rule.

Continuing updates will be provided as needed.

Potential New Legislation Coming Up the Pike

FRANK A. RUGGIERI

SJR 1016-proposes a joint resolution for an amendment to the Florida Constitution to increase the homestead exemption from \$25,000\50,000 to \$75,000 for all levies. If passed by the legislature, this joint resolution will require at least 60% approval by voters in the next statewide election in order to be adopted as an amendment to the state constitution.

HB 1415-proposes to increase the current safety requirements for mandatory structural integrity reserve studies to apply only to condominiums that are six (6) stories or higher.

SB 1742-seeks to modify various provisions of current statutes to allow Association boards to invest reserve funds and to enable associations obligated to complete a structural reserve study to secure a line of credit rather than maintaining all or part of the mandated reserve funds. Also seeks to allow associations that have previously completed a milestone inspection in the previous two years to pause reserve fund contributions until a structural integrity reserve study is completed.





Case Law Alert

FRANK A. RUGGIERI, ESQ.

Of some interest to homeowners associations is the opinion of our Fifth District Court of Appeals issued on March 7, 2025 in the case of Sherman Hills Homeowners Association, Inc. v. Gibson, et al. 50 Fla.L.Weekly D595a. This case involves a community victimized by sloppy development practices. Specifically, the developer of Sherman Hills inexplicably withdrew an entire phase from the applicability of the covenants and then sold the land to a builder who in turn sold homes to buyers under the apparent mistaken belief that Phase 3 was still subject to the covenants. All closing documents disclosed the existence of the Association and the obligation to pay assessments. Most of the homeowners in Phase 3 ultimately executed a joinder voluntarily subjecting their property to the covenants.

A small group of homeowners in Phase 3 contested the applicability of the covenants which ultimately resulted in the lawsuit. Of particular interest is the Association's claim. In addition to claims that the Phase 3 properties were indeed subject to the covenants based upon disclosures, the Association also filed suit against these homeowners for "unjust enrichment". Effectively, the Association brought a claim seeking compensation for the Association's maintenance of common areas and amenities supporting the properties in Phase 3 as it would be unjust to allow these individuals to retain the benefits of maintenance and the amenities without paying assessments. The Fifth District agreed that the claim had merit and reversed the lower court's decision.

We await a final outcome from the trial of this matter. Regardless, where properties have not been properly subjected to covenants or where covenants have expired, a claim for unjust enrichment may be the appropriate avenue.



UPCOMING EVENTS

04/09/2025 – **HOA Board Member Certification**

Most of our classes have been postponed until further notice.
If you have any questions, email us at contact@ruggierilawfirm.com.

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