ROSS LAW | ROSS TITLE

# SPECIAL ASSESSMENTS

FAR/BAR CONTRACT / WHERE TO LOOK

## THE BIG PICTURE

Unlike NABOR, FAR/BAR spreads assessment rules across the main contract, the Condominium Rider and the proration standard. Identify WHO imposed the assessment before deciding WHO pays.

1

### PARAGRAPH 9(f): PUBLIC-BODY ASSESSMENTS

Public-body liens and substantially completed improvements are addressed here; condo/HOA assessments are not. The contract addresses seller-paid qualifying items and has an installment election. If unchecked, Option (a) applies: seller pays installments due before closing; buyer pays installments due after.

2

### CONDOMINIUM RIDER - PARAGRAPH 3(c)

Separate rules govern association special assessments, including levied or pending assessments and when they were approved. Examine BOTH the assessment-allocation choice and the separate post-closing installment choice. An unchecked post-closing installment election may allocate those installments to buyer.

3

### STANDARD K: CDD / SPECIAL DISTRICT

Special-benefit assessments imposed by a Community Development District (CDD) or qualifying special district are prorated under Standard K, not allocated under Paragraph 9(f). Review the closing-date proration and tax-bill treatment.

## THE INSTALLMENT TRAP

Example: an assessment is payable in future annual installments. Do not assume the seller automatically pays off the entire balance at closing. The answer depends on the assessing body, applicable rider, checked box, and the default if it is blank.

## REALTOR TAKEAWAY

Check: (1) assessing entity, (2) effective/approval date, (3) applicable rider, (4) installment terms, and (5) every election and default. Never apply NABOR's 1% rule to FAR/BAR.



Educational overview; verify the executed contract, rider and current form version.