

Online Foreclosure Notices Fail in House Committee

Newspapers already struggling for classified ad revenue fended off an attempt to reduce the cash stream from foreclosure legal notices.

The House Civil Justice Subcommittee narrowly rejected a bill that would have allowed those required to publish a foreclosure notice the option to do so on an Internet site instead of posting the legal notice in a newspaper.

Rep. Richard Steinberg, D-Miami Gardens, said requiring the notices in newspapers is a “public benefit.”

Rep. Darren Soto, D-Orlando, also voting against the bill, said with 36 percent of Hispanics not having personal online access, many may not see the notices online.

“I believe this bill can lead to more people losing their homes, losing other legal rights, for lack of notice,” Soto said. “In the midst of a foreclosure crisis, Floridians don’t need this.”

Rep. Dennis Baxley, R-Ocala, the sponsor of HB 149, said the bill wouldn’t halt newspapers from offering the ads online, adding that the status quo is protecting “corporate welfare of newspapers.”

“We have to move into the next century,” Baxley said. “And the old antiquated idea that we have to put it in the newspaper has gone. More people read, more access is available to people on the Internet, than having to buy some remote little newspapers.”

Currently, in foreclosure cases, a newspaper “Notice of Action” must be published when a defendant cannot be found for a personal service. When the foreclosing plaintiff prevails, a notice of the sale must be published.

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Baxley said that allowing the notices to be published on the Internet would reduce the costs.

While no fiscal impacts were estimated, proponents suggested online ads could reduce costs by two-thirds.

In counties with less than 1 million people, the ad can go in a daily or weekly publication. The ads must go in daily newspapers in counties with more than 1 million residents.

According to the bill, the county clerk of the court would have had to pre-approve the websites before the legal notices could be posted. Websites would have been required to have a searchable archive for all legal publications, advertisements, notices of sale, or notices of foreclosure for 10 years following the first day of posting.

Media publishers and lobbyists were quick to point out that more than 30 percent of Floridians do not have access to the Internet, outside of public libraries, and more than 30 percent of people under 18 don't use the Internet.

Newspapers already publish public notices online that are purchased in print, said Gerry Mulligan, the publisher of the Citrus County Chronicle.

“The objections we hear about people not having access to public notices online is not accurate,” Mulligan said.

Former Florida Lt. Gov. Jeff Kottkamp, representing Keep the Public Notice Coalition, said the people who will be impacted by foreclosure are least likely to have online access.

“The forward-thinking approach is to keep it in print and do what they’re doing now -- put it on the Internet for free,” Kottkamp said.

The coalition includes the Florida Press Association, AARP, NAACP and Association Industries.

Pete Dunbar, representing the Florida Bar, supporting the bill, reversed the opponents' numbers, noted that 80 percent of the public doesn't read newspapers, while 70 percent are online.

“Electronic today is an option that is viable,” Dunbar said.

Committee member Rep. Matt Gaetz, R-Fort Walton Beach, who voted for the bill, tweeted that “30 percent of people under 18 don't use the Internet. Not mentioned is that 100 percent of them are babies.”