By Senator Ring

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32-00405A-09 2009998

A bill to be entitled

An act relating to condominium and homeowners' associations; amending s. 718.110, F.S.; limiting the application of certain amendments to the declaration of condominium to certain unit owners; amending s. 718.111, F.S.; providing that a homeowners' association may satisfy its obligation to provide unit owners access to the association's official records by making such records available by specified means; providing that certain records shall not be accessible to unit owners; amending s. 718.112, F.S.; deleting a requirement that each unit owner eligible to vote in an election of board members submit a form certifying certain information within a specified period before such election; requiring that each newly elected board member certify certain information in writing within a specified period after being elected; providing that failure to timely file such certification disqualifies the director from serving on the board; requiring that the secretary of the association retain such certification for a specified period; providing that failure to have such certification on file does not affect the validity of any association action; amending s. 718.113, F.S.; authorizing the board to install code-compliant impact glass under certain conditions; amending s. 718.116, F.S.; further limiting the application of certain limitations to the liability of a first mortgagee, its successor, or assignee acquiring title to a unit by foreclosure or

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32-00405A-09 2009998

deed in lieu of foreclosure for certain unpaid assessments; clarifying the definition of "successor or assignee"; limiting the amount of costs to a unit owner resulting from certain collection efforts by an association under certain conditions; providing an exception; providing for the collection of transfer fees; amending s. 718.303, F.S.; authorizing an association to suspend the right of a unit owner or a unit's occupant, licensee, or invitee to use certain common elements or association property; excluding certain common elements and property from such authorization; authorizing the association to levy fines for certain activities; requiring that reasonable notice and opportunity for a hearing be provided before an association levies such fines; granting certain powers to the committee before which hearings are held; providing exceptions to notice and hearing requirements; authorizing an association to suspend the voting rights of a member due to nonpayment of assessments, fines, or other charges delinquent for a specified period under certain circumstances; creating s. 720.3076, F.S.; authorizing the amendment of certain governing documents of certain associations if such amendment is approved by a specified portion of parcels; providing an exception; providing that a governing document may not require that amendments be approved by more than a specified percentage of parcel owners; providing that nonmaterial errors or omissions in the amendment

process do not invalidate an otherwise properly adopted amendment; providing that an amendment to a governing document is effective when properly recorded in the public records of the county in which the declaration is recorded; providing that an amendment to the articles of the association becomes effective when properly filed with the state; providing legislative findings and intent; amending s. 720.3085, F.S.; limiting the amount of costs to a unit owner resulting from certain collection efforts by an association under certain conditions; providing exceptions; further limiting the application of certain limitations to the liability of a first mortgagee, its successor, or assignee acquiring title to a unit by foreclosure or deed in lieu of foreclosure for certain unpaid assessments; amending s. 720.30851, F.S.; inserting a cross-reference to clarify the manner of collection of a refund of certain fees; amending s. 720.303, F.S.; specifying actions constituting compliance with provisions of state law regarding inspection and copying of official records of an association; providing that any official record of a homeowners' association requested by an owner shall be deemed provided under certain conditions; providing an effective date.

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Be It Enacted by the Legislature of the State of Florida:

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Section 1. Subsection (13) of section 718.110, Florida

Statutes, is amended to read:

718.110 Amendment of declaration; correction of error or omission in declaration by circuit court.—

(13) Any amendment <u>prohibiting</u> restricting unit <u>owners from</u> renting their units or altering the number of times unit owners are entitled to rent their units during a specified period owners' rights relating to the rental of units applies only to unit owners who consent to the amendment and unit owners who acquire title to <u>purchase</u> their units after the effective date of that amendment.

Section 2. Paragraphs (b) and (c) of subsection (12) of section 718.111, Florida Statutes, are amended to read:

718.111 The association.-

- (12) OFFICIAL RECORDS. -
- (b) The official records of the association shall be maintained within the state for at least 7 years. The records of the association shall be made available to a unit owner within 45 miles of the condominium property or within the county in which the condominium property is located within 5 working days after receipt of written request by the board or its designee. However, such distance requirement does not apply to an association governing a timeshare condominium. This paragraph may be complied with by having a copy of the official records of the association available for inspection or copying on the condominium property or association property, or the association may offer the option of making the records of the association available to a unit owner either electronically via the Internet or by allowing the records to be viewed in electronic format on a computer screen or website and printed by the unit owner upon

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(c) The official records of the association are open to inspection by any association member or the authorized representative of such member at all reasonable times. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the association member. The association may adopt reasonable rules regarding the frequency, time, location, notice, and manner of record inspections and copying. The failure of an association to provide the records within 10 working days after receipt of a written request shall create a rebuttable presumption that the association willfully failed to comply with this paragraph. A unit owner who is denied access to official records is entitled to the actual damages or minimum damages for the association's willful failure to comply with this paragraph. The minimum damages shall be \$50 per calendar day up to 10 days, the calculation to begin on the 11th working day after receipt of the written request. The failure to permit inspection of the association records as provided herein entitles any person prevailing in an enforcement action to recover reasonable attorney's fees from the person in control of the records who, directly or indirectly, knowingly denied access to the records for inspection. Any person who knowingly or intentionally defaces or destroys accounting records that are required by this chapter, or knowingly or intentionally fails to create or maintain accounting records that are required by this chapter, is personally subject to a civil penalty pursuant to s. 718.501(1)(d). The association shall maintain an adequate number of copies of the declaration, articles of incorporation, bylaws,

32-00405A-09 2009998

and rules, and all amendments to each of the foregoing, as well as the question and answer sheet provided for in s. 718.504 and year-end financial information required in this section on the condominium property to ensure their availability to unit owners and prospective purchasers, and may charge its actual costs for preparing and furnishing these documents to those requesting the same. Notwithstanding the provisions of this paragraph, the following records shall not be accessible to unit owners:

- 1. Any record protected by the lawyer-client privilege as described in s. 90.502; and any record protected by the work-product privilege, including any record prepared by an association attorney or prepared at the attorney's express direction; which reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the association, and which was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings, or which was prepared in anticipation of imminent civil or criminal litigation or imminent adversarial administrative proceedings until the conclusion of the litigation or adversarial administrative proceedings.
- 2. Information obtained by an association in connection with the approval of the lease, sale, or other transfer of a unit.
 - 3. Medical records of unit owners.
- 4. Social security numbers, driver's license numbers, credit card numbers, <u>e-mail addresses</u>, and other personal identifying information of any person.
- Section 3. Paragraph (d) of subsection (2) of section 718.112, Florida Statutes, is amended to read:

718.112 Bylaws.-

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- (2) REQUIRED PROVISIONS.—The bylaws shall provide for the following and, if they do not do so, shall be deemed to include the following:
 - (d) Unit owner meetings.-
- 1. There shall be an annual meeting of the unit owners held at the location provided in the association bylaws and, if the bylaws are silent as to the location, the meeting shall be held within 45 miles of the condominium property. However, such distance requirement does not apply to an association governing a timeshare condominium. Unless the bylaws provide otherwise, a vacancy on the board caused by the expiration of a director's term shall be filled by electing a new board member, and the election shall be by secret ballot; however, if the number of vacancies equals or exceeds the number of candidates, no election is required. The terms of all members of the board shall expire at the annual meeting and such board members may stand for reelection unless otherwise permitted by the bylaws. In the event that the bylaws permit staggered terms of no more than 2 years, and upon approval of a majority of the total voting interests, the association board members may serve 2-year staggered terms. If no person is interested in or demonstrates an intention to run for the position of a board member whose term has expired according to the provisions of this subparagraph, such board member whose term has expired shall be automatically reappointed to the board of administration and need not stand for reelection. In a condominium association of more than 10 units, coowners of a unit may not serve as members of the board of directors at the same time. Any unit owner

32-00405A-09 2009998

desiring to be a candidate for board membership shall comply with subparagraph 3. A person who has been suspended or removed by the division under this chapter, or who is delinquent in the payment of any fee or assessment as provided in paragraph (n), is not eligible for board membership. A person who has been convicted of any felony in this state or in a United States District or Territorial Court, or who has been convicted of any offense in another jurisdiction that would be considered a felony if committed in this state, is not eligible for board membership unless such felon's civil rights have been restored for a period of no less than 5 years as of the date on which such person seeks election to the board. The validity of an action by the board is not affected if it is later determined that a member of the board is ineligible for board membership due to having been convicted of a felony.

2. The bylaws shall provide the method of calling meetings of unit owners, including annual meetings. Written notice, which notice must include an agenda, shall be mailed, hand delivered, or electronically transmitted to each unit owner at least 14 days prior to the annual meeting and shall be posted in a conspicuous place on the condominium property at least 14 continuous days preceding the annual meeting. Upon notice to the unit owners, the board shall by duly adopted rule designate a specific location on the condominium property or association property upon which all notices of unit owner meetings shall be posted; however, if there is no condominium property or association property upon which notices can be posted, this requirement does not apply. In lieu of or in addition to the physical posting of notice of any meeting of the unit owners on

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32-00405A-09 2009998

the condominium property, the association may, by reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit cable television system serving the condominium association. However, if broadcast notice is used in lieu of a notice posted physically on the condominium property, the notice and agenda must be broadcast at least four times every broadcast hour of each day that a posted notice is otherwise required under this section. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda. Unless a unit owner waives in writing the right to receive notice of the annual meeting, such notice shall be hand delivered, mailed, or electronically transmitted to each unit owner. Notice for meetings and notice for all other purposes shall be mailed to each unit owner at the address last furnished to the association by the unit owner, or hand delivered to each unit owner. However, if a unit is owned by more than one person, the association shall provide notice, for meetings and all other purposes, to that one address which the developer initially identifies for that purpose and thereafter as one or more of the owners of the unit shall so advise the association in writing, or if no address is given or the owners of the unit do not agree, to the address provided on the deed of record. An officer of the association, or the manager or other person providing notice of the association meeting, shall provide an affidavit or United States Postal Service certificate of mailing, to be included in the official records of the

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32-00405A-09 2009998

association affirming that the notice was mailed or hand delivered, in accordance with this provision.

3. The members of the board shall be elected by written ballot or voting machine. Proxies shall in no event be used in electing the board, either in general elections or elections to fill vacancies caused by recall, resignation, or otherwise, unless otherwise provided in this chapter. Not less than 60 days before a scheduled election, the association shall mail, deliver, or electronically transmit, whether by separate association mailing or included in another association mailing, delivery, or transmission, including regularly published newsletters, to each unit owner entitled to a vote, a first notice of the date of the election along with a certification form provided by the division attesting that he or she has read and understands, to the best of his or her ability, the governing documents of the association and the provisions of this chapter and any applicable rules. Any unit owner or other eligible person desiring to be a candidate for the board must give written notice to the association not less than 40 days before a scheduled election. Together with the written notice and agenda as set forth in subparagraph 2., the association shall mail, deliver, or electronically transmit a second notice of the election to all unit owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the association shall include an information sheet, no larger than 8 1/2 inches by 11 inches, which must be furnished by the candidate not less than 35 days before the election, along with the signed certification form provided for in this subparagraph, to be included with the

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32-00405A-09 2009998

mailing, delivery, or transmission of the ballot, with the costs of mailing, delivery, or electronic transmission and copying to be borne by the association. The association is not liable for the contents of the information sheets prepared by the candidates. In order to reduce costs, the association may print or duplicate the information sheets on both sides of the paper. The division shall by rule establish voting procedures consistent with the provisions contained herein, including rules establishing procedures for giving notice by electronic transmission and rules providing for the secrecy of ballots. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least 20 percent of the eligible voters must cast a ballot in order to have a valid election of members of the board. No unit owner shall permit any other person to vote his or her ballot, and any such ballots improperly cast shall be deemed invalid, provided any unit owner who violates this provision may be fined by the association in accordance with s. 718.303. A unit owner who needs assistance in casting the ballot for the reasons stated in s. 101.051 may obtain assistance in casting the ballot. The regular election shall occur on the date of the annual meeting. The provisions of this subparagraph do shall not apply to timeshare condominium associations. Notwithstanding the provisions of this subparagraph, an election is not required unless more candidates file notices of intent to run or are nominated than board vacancies exist. Within 30 days after being elected to the board of directors, a director shall provide written certification to the secretary of the association, using the form adopted by the division, that he or she has read the

32-00405A-09 2009998

association's declaration of condominium, articles of incorporation, bylaws, and current written policies, that he or she will work to uphold such documents and policies to the best of his or her ability, and that he or she will faithfully discharge his or her fiduciary responsibility to the association's members. Failure to timely file the statement disqualifies the director from serving on the association's board of directors. The association shall retain a director's certification for inspection by the members for 7 years after the date of a director's election. Failure to have such certification on file does not affect the validity of any association action.

- 4. Any approval by unit owners called for by this chapter or the applicable declaration or bylaws, including, but not limited to, the approval requirement in s. 718.111(8), shall be made at a duly noticed meeting of unit owners and shall be subject to all requirements of this chapter or the applicable condominium documents relating to unit owner decisionmaking, except that unit owners may take action by written agreement, without meetings, on matters for which action by written agreement without meetings is expressly allowed by the applicable bylaws or declaration or any statute that provides for such action.
- 5. Unit owners may waive notice of specific meetings if allowed by the applicable bylaws or declaration or any statute. If authorized by the bylaws, notice of meetings of the board of administration, unit owner meetings, except unit owner meetings called to recall board members under paragraph (j), and committee meetings may be given by electronic transmission to

32-00405A-09 2009998

unit owners who consent to receive notice by electronic transmission.

- 6. Unit owners shall have the right to participate in meetings of unit owners with reference to all designated agenda items. However, the association may adopt reasonable rules governing the frequency, duration, and manner of unit owner participation.
- 7. Any unit owner may tape record or videotape a meeting of the unit owners subject to reasonable rules adopted by the division.
- 8. Unless otherwise provided in the bylaws, any vacancy occurring on the board before the expiration of a term may be filled by the affirmative vote of the majority of the remaining directors, even if the remaining directors constitute less than a quorum, or by the sole remaining director. In the alternative, a board may hold an election to fill the vacancy, in which case the election procedures must conform to the requirements of subparagraph 3. unless the association governs 10 units or less and has opted out of the statutory election process, in which case the bylaws of the association control. Unless otherwise provided in the bylaws, a board member appointed or elected under this section shall fill the vacancy for the unexpired term of the seat being filled. Filling vacancies created by recall is governed by paragraph (j) and rules adopted by the division.

Notwithstanding subparagraphs (b)2. and (d)3., an association of 10 or fewer units may, by the affirmative vote of a majority of the total voting interests, provide for different voting and

election procedures in its bylaws, which vote may be by a proxy

32-00405A-09 2009998

specifically delineating the different voting and election procedures. The different voting and election procedures may provide for elections to be conducted by limited or general proxy.

Section 4. Paragraph (a) of subsection (5) of section 718.113, Florida Statutes, is amended, present paragraphs (b), (c), and (d) of that subsection are redesignated as paragraphs (c), (d), and (e), respectively, and a new paragraph (b) is added to that subsection, to read:

718.113 Maintenance; limitation upon improvement; display of flag; hurricane shutters; display of religious decorations.—

- (5) Each board of administration shall adopt hurricane shutter specifications for each building within each condominium operated by the association which shall include color, style, and other factors deemed relevant by the board. All specifications adopted by the board shall comply with the applicable building code.
- (a) The board may, subject to the provisions of s.

 718.3026, and the approval of a majority of voting interests of the condominium, install hurricane shutters or hurricane protection that complies with or exceeds the applicable building code, or both, except that a vote of the owners is not required if the maintenance, repair, and replacement of hurricane shutters or other forms of hurricane protection are the responsibility of the association pursuant to the declaration of condominium. However, where hurricane protection or laminated glass or window film architecturally designed to function as hurricane protection which complies with or exceeds the current applicable building code has been previously installed, the

board may not install hurricane shutters or other hurricane protection, except for code-compliant impact glass.

(b) Code-compliant impact glass may be installed by the association as hurricane protection if the area where the code-compliant impact glass is to be installed is an area that is the responsibility of the association to maintain or repair pursuant to the declaration of condominium as originally recorded or as amended in accordance with the procedures in the declaration.

Section 5. Paragraphs (b) and (g) of subsection (1), paragraph (b) of subsection (5), paragraph (b) of subsection (6), and paragraph (c) of subsection (8) of section 718.116, Florida Statutes, are amended to read:

718.116 Assessments; liability; lien and priority; interest; collection.—

(1)

- (b) The liability of a first mortgagee or its successor or assignees who acquire title to a unit by foreclosure or by recorded deed in lieu of foreclosure for the unpaid assessments that became due prior to the mortgagee's acquisition of title is limited to the lesser of:
- 1. The unit's unpaid common expenses and regular periodic assessments which accrued or came due during the 6 months immediately preceding the acquisition of title and for which payment in full has not been received by the association; or
- 2. One percent of the original mortgage debt. The provisions of this paragraph apply only if the first mortgagee joined the association as a defendant in the foreclosure action and the first mortgagee acquires title to the unit within 1 year following the date on which the foreclosure action is filed,

32-00405A-09 2009998

regardless of the date on which the foreclosure action was initiated. If the unit is owner-occupied, the 1-year time limit does not apply. Joinder of the association is not required if, on the date the complaint is filed, the association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the mortgagee. Notwithstanding any provision to the contrary, the 1-year period established in this subparagraph shall automatically be extended for any length of time during which the first mortgagee is prevented from filing or continuing a foreclosure due to a bankruptcy petition filed by the owner under chapter 7 or chapter 13 of the Bankruptcy Code through which the mortgagee diligently pursues stay relief.

(g) For purposes of this subsection, the term "successor or assignee" as used with respect to a first mortgagee includes only a subsequent holder of the first mortgage who acquires the first mortgage before any action to foreclose the first mortgage is initiated or any recorded deed in lieu of foreclosure is given to the successor or assignee.

(5)

(b) To be valid, a claim of lien must state the description of the condominium parcel, the name of the record owner, the name and address of the association, the amount due, and the due dates. It must be executed and acknowledged by an officer or authorized agent of the association. No such lien shall be effective longer than 1 year after the claim of lien was recorded unless, within that time, an action to enforce the lien is commenced. The 1-year period shall automatically be extended for any length of time during which the association is prevented

from filing a foreclosure action by an automatic stay resulting from a bankruptcy petition filed by the parcel owner or any other person claiming an interest in the parcel. The claim of lien shall secure all unpaid assessments which are due and which may accrue subsequent to the recording of the claim of lien and prior to the entry of a certificate of title, as well as interest and all reasonable costs and attorney's fees incurred by the association incident to the collection process. Costs to the unit owner secured by the association's claim of lien with regard to collection letters or any other collection efforts by management companies or licensed managers may not exceed \$50 unless the management company is preparing any letter or certificate required by this chapter and charging a reasonable fee related to the preparation of such a letter or certificate. Upon payment in full, the person making the payment is entitled to a satisfaction of the lien.

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After notice of contest of lien has been recorded, the clerk of the circuit court shall mail a copy of the recorded notice to the association by certified mail, return receipt requested, at the address shown in the claim of lien or most recent amendment to it and shall certify to the service on the face of the notice. Service is complete upon mailing. After service, the association has 90 days in which to file an action to enforce the lien; and, if the action is not filed within the 90-day period, the lien is void. However, the 90-day period shall be extended for any length of time that the association is prevented from filing its action because of an automatic stay resulting from the filing of a bankruptcy petition by the unit

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32-00405A-09 2009998

owner or by any other person claiming an interest in the parcel. (6)

- (b) No foreclosure judgment may be entered until at least 30 days after the association gives written notice to the unit owner of its intention to foreclose its lien to collect the unpaid assessments. If this notice is not given at least 30 days before the foreclosure action is filed, and if the unpaid assessments, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgment of foreclosure, the association shall not recover attorney's fees or costs. The notice must be given by delivery of a copy of it to the unit owner or by certified or registered mail, return receipt requested, addressed to the unit owner at his or her last known address; and, upon such mailing, the notice shall be deemed to have been given, and the court shall proceed with the foreclosure action and may award attorney's fees and costs as permitted by law. The notice requirements of this subsection are satisfied if the unit owner records a notice of contest of lien as provided in subsection (5). The notice requirements contained in of this subsection and s. 718.121(4) do not apply if an action to foreclose a mortgage on the condominium unit is pending before any court; if the rights of the association would be affected by such foreclosure; and if actual, constructive, or substitute service of process has been made on the unit owner.
- (8) Within 15 days after receiving a written request therefor from a unit owner or his or her designee, or a unit mortgagee or his or her designee, the association shall provide a certificate signed by an officer or agent of the association stating all assessments and other moneys owed to the association

32-00405A-09 2009998

by the unit owner with respect to the condominium parcel.

(c) Notwithstanding any limitation on transfer fees contained in s. 718.112(2)(i), the association or its authorized agent may charge a reasonable fee for the preparation of the certificate. The amount of the fee must be included on the certificate. The fee may be collected in the same manner as provided in this section for the collection of unpaid assessments.

Section 6. Section 718.303, Florida Statutes, is amended to read:

718.303 Obligations of owners <u>and occupants</u>; waiver; levy of <u>fines</u>, <u>suspension of use or voting rights</u>, <u>and other</u>

<u>nonexclusive remedies in law or equity fine against unit</u> by <u>an</u>

<u>association</u>.—

- (1) Each unit owner, each tenant and other invitee, and each association shall be governed by, and shall comply with the provisions of, this chapter, the declaration, the documents creating the association, and the association bylaws and the provisions thereof shall be deemed expressly incorporated into any lease of a unit. Actions for damages or for injunctive relief, or both, for failure to comply with these provisions may be brought by the association or by a unit owner against:
 - (a) The association.
 - (b) A unit owner.
- (c) Directors designated by the developer, for actions taken by them prior to the time control of the association is assumed by unit owners other than the developer.
- (d) Any director who willfully and knowingly fails to comply with these provisions.

(e) Any tenant leasing a unit, and any other invitee occupying a unit.

The prevailing party in any such action or in any action in which the purchaser claims a right of voidability based upon contractual provisions as required in s. 718.503(1)(a) is entitled to recover reasonable attorney's fees. A unit owner prevailing in an action between the association and the unit owner under this section, in addition to recovering his or her reasonable attorney's fees, may recover additional amounts as determined by the court to be necessary to reimburse the unit owner for his or her share of assessments levied by the association to fund its expenses of the litigation. This relief does not exclude other remedies provided by law. Actions arising under this subsection shall not be deemed to be actions for specific performance.

- (2) A provision of this chapter may not be waived if the waiver would adversely affect the rights of a unit owner or the purpose of the provision, except that unit owners or members of a board of administration may waive notice of specific meetings in writing if provided by the bylaws. Any instruction given in writing by a unit owner or purchaser to an escrow agent may be relied upon by an escrow agent, whether or not such instruction and the payment of funds thereunder might constitute a waiver of any provision of this chapter.
- (3) If the declaration or bylaws so provide, the association may suspend, for a reasonable period of time, the right of a unit owner or a unit's occupant, licensee, or invitee, to use common elements, common facilities, or any other

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association property. This subsection does not apply to limited common elements intended to be used only by that unit, common elements that must be used to access the unit, utility services provided to the unit, parking spaces, or elevators. The association may also levy reasonable fines against a unit for the failure of the owner of the unit, or its occupant, licensee, or invitee, to comply with any provision of the declaration, the association bylaws, or reasonable rules of the association. A No fine does not will become a lien against a unit. A No fine may not exceed \$100 per violation. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, except provided that no such fine shall in the aggregate may not exceed \$1,000. A No fine may not be levied and a suspension may not be imposed unless the association first gives except after giving reasonable notice and opportunity for a hearing to the unit owner and, if applicable, its occupant, licensee, or invitee. The hearing must be held before a committee of other unit owners who are neither board members nor persons residing in a board member's household. If the committee does not agree with the fine or suspension, the fine or suspension may not be levied or imposed. The provisions of this subsection do not apply to unoccupied units.

(4) The notice and hearing requirements of subsection (3) do not apply to the imposition of suspensions or fines against any unit owner or a unit's occupant, licensee, or invitee because of the failure to pay any amounts due the association. If such a fine or suspension is imposed, the association must levy the fine or impose a reasonable suspension at a properly

32-00405A-09 2009998

noticed board meeting and notify the unit owner and, if
applicable, the owner's occupant, licensee, or invitee by mail
or hand delivery after the imposition of such fine or
suspension.

(5) If the declaration or bylaws so provide, an association may also suspend the voting rights of a member due to nonpayment of assessments, fines, or other charges payable to the association which are delinquent in excess of 90 days.

Section 7. Section 720.3076, Florida Statutes, is created to read:

- 720.3076 Amendment of governing documents.-
- (1) (a) For associations no longer controlled by the developer and turned over to the parcel owners pursuant to s. 720.307, the governing documents may be amended by a vote of two-thirds of all parcels unless provided otherwise in the documents as recorded. A governing document may not require that amendments be approved by more than 80 percent of the parcel owners.
- (b) Nonmaterial errors or omissions in the amendment process do not invalidate an otherwise properly adopted amendment.
- (2) An amendment to any governing document is effective when properly recorded in the public records of the county in which the declaration is recorded. If an amendment is to the articles, such amendment becomes effective when properly filed with the state.
- (3) (a) The Legislature finds that the requirement of mortgagee notification of or consent to amendments that do not adversely affect the priority of the mortgagee's lien rights or

32-00405A-09 2009998

the right to foreclose its lien or otherwise materially adversely affect the rights and interests of the mortgagee not otherwise authorized by this chapter are unenforceable in the courts of this state as a matter of public policy. The Legislature also finds that such requirements are an unreasonable, substantial, logistical, and financial burden on the homeowners of this state and that there exists a compelling state interest in enabling the members of homeowners' associations to approve amendments to governing documents through reasonable means.

(b) This subsection is intended to apply retroactively and to all associations whether created on, before, or after July 1, 2009.

Section 8. Paragraph (a) of subsection (1) and paragraph (c) of subsection (2) of section 720.3085, Florida Statutes, are amended to read:

720.3085 Payment for assessments; lien claims.

(1) When authorized by the governing documents, the association has a lien on each parcel to secure the payment of assessments and other amounts provided for by this section. Except as otherwise set forth in this section, the lien is effective from and shall relate back to the date on which the original declaration of the community was recorded. However, as to first mortgages of record, the lien is effective from and after recording of a claim of lien in the public records of the county in which the parcel is located. This subsection does not bestow upon any lien, mortgage, or certified judgment of record on July 1, 2008, including the lien for unpaid assessments created in this section, a priority that, by law, the lien,

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32-00405A-09 2009998

mortgage, or judgment did not have before July 1, 2008.

(a) To be valid, a claim of lien must state the description of the parcel, the name of the record owner, the name and address of the association, the assessment amount due, and the due date. The claim of lien shall secure all unpaid assessments that are due and that may accrue subsequent to the recording of the claim of lien and before entry of a certificate of title, as well as interest, late charges, and reasonable costs and attorney's fees incurred by the association incident to the collection process. Costs to the unit owner which are secured by the association's claim of lien with regard to collection letters or any other collection efforts by management companies or licensed managers may not exceed \$50 unless the management company is preparing any letter or certificate required by this chapter and charging a reasonable fee related to the preparation of such a letter or certificate. The person making the payment is entitled to a satisfaction of the lien upon payment in full.

(2)

- (c) Notwithstanding anything to the contrary contained in this section, the liability of a first mortgagee, or its successor or assignee as a subsequent holder of the first mortgage who acquires title to a parcel by foreclosure or by recorded deed in lieu of foreclosure for the unpaid assessments that became due before the mortgagee's acquisition of title, shall be the lesser of:
- 1. The parcel's unpaid common expenses and regular periodic or special assessments that accrued or came due during the 12 months immediately preceding the acquisition of title and for which payment in full has not been received by the association;

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2. One percent of the original mortgage debt.

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The limitations on first mortgagee liability provided in this chapter by this paragraph apply only if the first mortgagee filed suit against the parcel owner and initially joined the association as a defendant in the mortgagee foreclosure action, and the first mortgagee acquires title to the parcel within 1 year following the date on which the foreclosure action is filed, regardless of the date on which the foreclosure action was initiated. If the parcel is owner-occupied, the 1-year time limit does not apply. Joinder of the association is not required if, on the date the complaint is filed, the association was dissolved or did not maintain an office or agent for service of process at a location that was known to or reasonably discoverable by the mortgagee. Notwithstanding any provision to the contrary, the 1-year period set forth in this subsection shall automatically be extended for any length of time during which the first mortgagee is prevented from filing or continuing the foreclosure process due to the filing of a bankruptcy petition by the owner pursuant to chapter 7 or chapter 13 of the Bankruptcy Code through which the mortgagee diligently pursues stay relief.

Section 9. Subsection (3) of section 720.30851, Florida Statutes, is amended to read:

720.30851 Estoppel certificates.—Within 15 days after the date on which a request for an estoppel certificate is received from a parcel owner or mortgagee, or his or her designee, the association shall provide a certificate signed by an officer or

32-00405A-09 2009998

authorized agent of the association stating all assessments and other moneys owed to the association by the parcel owner or mortgagee with respect to the parcel. An association may charge a fee for the preparation of such certificate, and the amount of such fee must be stated on the certificate.

(3) The authority to charge a fee for the certificate shall be established by a written resolution adopted by the board or provided by a written management, bookkeeping, or maintenance contract and is payable upon the preparation of the certificate. If the certificate is requested in conjunction with the sale or mortgage of a parcel but the closing does not occur and no later than 30 days after the closing date for which the certificate was sought the preparer receives a written request, accompanied by reasonable documentation, that the sale did not occur from a payor that is not the parcel owner, the fee shall be refunded to that payor within 30 days after receipt of the request. The refund is the obligation of the parcel owner, and the association may collect it from that owner in the same manner as an assessment as provided in s. 720.3085 this section.

Section 10. Subsection (5) of section 720.303, Florida Statutes, is amended to read:

720.303 Association powers and duties; meetings of board; official records; budgets; financial reporting; association funds; recalls.—

(5) INSPECTION AND COPYING OF RECORDS.—The official records shall be maintained within the state and must be open to inspection and available for photocopying by members or their authorized agents at reasonable times and places within 10 business days after receipt of a written request for access.

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32-00405A-09 2009998

This subsection may be complied with by having a copy of the official records available for inspection or copying in the community. If the association has a photocopy machine available where the records are maintained, it must provide parcel owners with copies on request during the inspection if the entire request is limited to no more than 25 pages. An association may comply with this subsection by having a copy of the official records of the association available for inspection or copying on the association property, making such records available to an owner electronically via the Internet, or by allowing such records to be viewed in electronic format on a website or computer screen and printed by the parcel owner. Any record requested by an owner shall be deemed to have been provided if the association maintains a website, such records may be accessed by the requesting owner on that website, and the website is accessible in a library within the county in which the condominium is located.

- (a) The failure of an association to provide access to the records within 10 business days after receipt of a written request creates a rebuttable presumption that the association willfully failed to comply with this subsection.
- (b) A member who is denied access to official records is entitled to the actual damages or minimum damages for the association's willful failure to comply with this subsection. The minimum damages are to be \$50 per calendar day up to 10 days, the calculation to begin on the 11th business day after receipt of the written request.
- (c) The association may adopt reasonable written rules governing the frequency, time, location, notice, records to be

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32-00405A-09 2009998

inspected, and manner of inspections, but may not impose a requirement that a parcel owner demonstrate any proper purpose for the inspection, state any reason for the inspection, or limit a parcel owner's right to inspect records to less than one 8-hour business day per month. The association may impose fees to cover the costs of providing copies of the official records, including, without limitation, the costs of copying. The association may charge up to 50 cents per page for copies made on the association's photocopier. If the association does not have a photocopy machine available where the records are kept, or if the records requested to be copied exceed 25 pages in length, the association may have copies made by an outside vendor and may charge the actual cost of copying. The association shall maintain an adequate number of copies of the recorded governing documents, to ensure their availability to members and prospective members. Notwithstanding the provisions of this paragraph, the following records shall not be accessible to members or parcel owners:

1. Any record protected by the lawyer-client privilege as described in s. 90.502 and any record protected by the work-product privilege, including, but not limited to, any record prepared by an association attorney or prepared at the attorney's express direction which reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the association and was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings or which was prepared in anticipation of imminent civil or criminal litigation or imminent adversarial administrative proceedings until the conclusion of the

32-00405A-09 2009998

813 litigation or adversarial administrative proceedings.

- 2. Information obtained by an association in connection with the approval of the lease, sale, or other transfer of a parcel.
- 3. Disciplinary, health, insurance, and personnel records of the association's employees.
 - 4. Medical records of parcel owners or community residents.
- (d) The association or its authorized agent is not required to provide a prospective purchaser or lienholder with information about the residential subdivision or the association other than information or documents required by this chapter to be made available or disclosed. The association or its authorized agent may charge a reasonable fee to the prospective purchaser or lienholder or the current parcel owner or member for providing good faith responses to requests for information by or on behalf of a prospective purchaser or lienholder, other than that required by law, if the fee does not exceed \$150 plus the reasonable cost of photocopying and any attorney's fees incurred by the association in connection with the response.

Section 11. This act shall take effect October 1, 2009.