

By Senator Saunders

25-1159-99

1                                   A bill to be entitled  
2           An act relating to condominium associations;  
3           amending s. 718.102, F.S.; providing an  
4           additional purpose of ch. 718, F.S.; amending  
5           s. 718.103, F.S.; revising definitions;  
6           providing additional definitions; amending s.  
7           718.104, F.S.; providing additional  
8           requirements for a declaration of condominium;  
9           providing for determining the percentage share  
10          of liability for common expenses and ownership;  
11          amending s. 718.110, F.S.; clarifying  
12          requirements for amending and recording the  
13          declaration of condominium; providing for  
14          determining the percentage share of liability  
15          for common expenses and ownership for purposes  
16          of condominiums comprising a multicondominium  
17          development; amending s. 718.111, F.S.;  
18          providing requirements for providing official  
19          record information to a master condominium  
20          association; revising requirements for  
21          financial reports; requiring the disclosure of  
22          reserves; revising requirements for financial  
23          statements; requiring the disclosure of  
24          revenues and common expenses; revising certain  
25          limitations on the commingling of funds  
26          maintained in the name of a condominium  
27          association or multicondominium; amending s.  
28          718.112, F.S.; providing that certain  
29          requirements for electing or selecting board  
30          members are inapplicable to master condominium  
31          associations; revising requirements for budget

1 meetings; providing conditions under which a  
2 multicondominium association may waive or  
3 reduce its funding of reserves; amending s.  
4 718.113, F.S.; providing certain limitations on  
5 making material alterations or additions to  
6 multicondominiums; providing a procedure for  
7 approving an alteration or addition if not  
8 provided for in the bylaws; revising  
9 requirements for condominium boards with  
10 respect to installing and maintaining hurricane  
11 shutters; specifying expenses that constitute  
12 common expenses of a multicondominium  
13 association; providing for an association's  
14 bylaws to allow certain educational expenses of  
15 the officers or directors to be a permitted  
16 common expense; revising requirements for  
17 determining a unit's share of the common  
18 expenses for the purpose of installing  
19 hurricane shutters; providing for determining  
20 the common surplus owned by a unit owner of a  
21 multicondominium; amending s. 718.116, F.S.;  
22 revising circumstances under which a developer  
23 may be excused from paying certain common  
24 expenses and assessments; providing for the  
25 developer's obligation for such expenses with  
26 respect to a multicondominium association;  
27 amending s. 718.117, F.S.; providing that  
28 certain requirements governing the termination  
29 of a condominium are inapplicable to the merger  
30 of a condominium with one or more other  
31 condominiums; creating s. 718.405, F.S.;

1 providing for the creation of  
2 multicondominiums; providing requirements for  
3 the declaration of condominium; providing  
4 notice requirements; providing requirements for  
5 the approval of voting interests under certain  
6 circumstances; providing for the merger or  
7 consolidation of condominium associations that  
8 are not controlled by a developer; amending s.  
9 718.504, F.S.; providing requirements for the  
10 prospectus or offering circular for a  
11 condominium that is or may become part of a  
12 multicondominium; providing requirements for a  
13 condominium unit that is or may be granted use  
14 rights in a master condominium; creating part  
15 VII of chapter 718, F.S., consisting of ss.  
16 718.701-718.708, F.S.; providing purpose and  
17 legislative intent with respect to the creation  
18 and operation of master condominium  
19 associations; providing definitions; providing  
20 powers and duties of a master condominium  
21 association; providing for meetings of the  
22 board, committees, and the membership of the  
23 association; requiring the posting of notices;  
24 providing for annual meetings; providing for  
25 electing or appointing directors; authorizing  
26 voting by proxy and certain other actions;  
27 providing for the official records of the  
28 association; providing for assessments;  
29 authorizing a master condominium association to  
30 acquire title to property and grant or modify  
31 easements; requiring that the association

1 obtain and maintain liability and property  
2 insurance; limiting material alterations or  
3 additions to common property; authorizing a  
4 master condominium association to acquire  
5 memberships or use interests in other lands or  
6 facilities; providing a procedure for amending  
7 the master condominium association documents;  
8 providing for rights to appurtenances;  
9 authorizing the merger of master condominium  
10 associations; providing for amending the  
11 documents if such amendment does not affect the  
12 rights or interests of the mortgagees;  
13 providing for rights of membership; specifying  
14 the obligations of members and affected  
15 persons; providing for a master condominium  
16 association to levy civil fines; providing  
17 limitations; providing for the Division of  
18 Florida Land Sales, Condominiums, and Mobile  
19 Homes of the Department of Business and  
20 Professional Regulation to enforce compliance  
21 with part VII of chapter 718; providing  
22 requirements for nonbinding arbitration;  
23 requiring certain master condominium  
24 associations to notify the division of the  
25 association's existence; providing requirements  
26 for financial reporting; requiring that an  
27 association maintain a certain amount or  
28 percentage of reserves; authorizing the  
29 division to adopt rules; providing for  
30 transferring control of an association;  
31 amending s. 624.462, F.S., relating to

1 self-insurance funds; conforming a  
2 cross-reference to changes made by the act;  
3 providing an effective date.  
4

5 Be It Enacted by the Legislature of the State of Florida:  
6

7 Section 1. Section 718.102, Florida Statutes, is  
8 amended to read:

9 718.102 Purposes.--The purpose of this chapter is:

10 (1) To give statutory recognition to the condominium  
11 form of ownership of real property.

12 (2) To establish procedures for the creation, sale,  
13 and operation of condominiums.

14 (3) To provide information to condominium association  
15 board members and unit owners to foster a better understanding  
16 of their rights and responsibilities in the operation of their  
17 condominium association.  
18

19 Every condominium created and existing in this state shall be  
20 subject to the provisions of this chapter.

21 Section 2. Section 718.103, Florida Statutes, 1998  
22 Supplement, is amended to read:

23 718.103 Definitions.--As used in this chapter, the  
24 term:

25 (1) "Assessment" means a share of the funds which are  
26 required for the payment of common expenses, which from time  
27 to time is assessed against the unit owner.

28 ~~(2) "Association" means, in addition to those entities~~  
29 ~~responsible for the operation of common elements owned in~~  
30 ~~undivided shares by unit owners, any entity which operates or~~  
31 ~~maintains other real property in which condominium unit owners~~

1 ~~have use rights, where unit owner membership in the entity is~~  
2 ~~composed exclusively of condominium unit owners or their~~  
3 ~~elected or appointed representatives, and where membership in~~  
4 ~~the entity is a required condition of unit ownership.~~

5 (2)~~(3)~~ "Association property" means that property,  
6 real and personal, which is owned or leased by, or is  
7 dedicated by a recorded plat to, the association for the use  
8 and benefit of its members.

9 (3)~~(4)~~ "Board of administration" means the board of  
10 directors or other representative body which is responsible  
11 for administration of the association.

12 (4)~~(5)~~ "Buyer" means a person who purchases a  
13 condominium. The term "purchaser" may be used interchangeably  
14 with the term "buyer."

15 (5)~~(6)~~ "Bylaws" means the bylaws of the association as  
16 they exist from time to time.

17 (6)~~(7)~~ "Committee" means a group of board members,  
18 unit owners, or board members and unit owners appointed by the  
19 board or a member of the board to make recommendations to the  
20 board regarding the association budget or take action on  
21 behalf of the board.

22 (7)~~(8)~~ "Common elements" means the portions of the  
23 condominium property which are not included in the units.

24 (8)~~(9)~~ "Common expenses" means all expenses that ~~and~~  
25 ~~assessments which~~ are properly incurred by the association in  
26 the performance of its duties, as further defined in s.  
27 718.115 for the condominium.

28 (9)~~(10)~~ "Common surplus" means the excess of all  
29 receipts of the association collected on behalf of a  
30 condominium (including, but not limited to, assessments,  
31

1 rents, profits, and revenues on account of the common  
2 elements) over the common expenses.

3 (10)~~(11)~~ "Condominium" means that form of ownership of  
4 real property which is created pursuant to the provisions of  
5 this chapter, which is comprised of units that may be owned by  
6 one or more persons, and in which there is, appurtenant to  
7 each unit, an undivided share in common elements.

8 (11) "Condominium association" means the entity that  
9 is primarily responsible for the operation of the common  
10 elements or association property of a condominium in which  
11 membership is a mandatory condition of parcel ownership, and  
12 the entity authorized to impose assessments that, if unpaid,  
13 may become a lien on the parcel.

14 (12) "Condominium documents" means the recorded  
15 declaration of condominium, and the condominium association's  
16 recorded articles of incorporation and bylaws, any recorded  
17 amendments to the articles of incorporation or bylaws, and  
18 exhibits to the declaration of condominium as described in s.  
19 718.104.

20 (13)~~(12)~~ "Condominium parcel" means a unit, together  
21 with the undivided share in the common elements which is  
22 appurtenant to the unit.

23 (14)~~(13)~~ "Condominium property" means the lands,  
24 leaseholds, and personal property that are subjected to  
25 condominium ownership, whether or not contiguous, and all  
26 improvements thereon and all easements and rights appurtenant  
27 thereto intended for use in connection with the condominium.

28 (15)~~(14)~~ "Conspicuous type" means type in capital  
29 letters no smaller than the largest type, exclusive of  
30 headings, on the page on which it appears and, in all cases,  
31 at least 10-point type. Where conspicuous type is required,

1 it must be separated on all sides from other type and print.  
2 Conspicuous type may be used in contracts for purchase or  
3 public offering statements only where required by law.

4 (16)~~(15)~~ "Declaration" or "declaration of condominium"  
5 means the instrument or instruments by which a condominium is  
6 created, as they are from time to time amended.

7 (17)~~(16)~~ "Developer" means a person who creates a  
8 condominium or offers condominium parcels for sale or lease in  
9 the ordinary course of business, but does not include an owner  
10 or lessee of a condominium or cooperative unit who has  
11 acquired the unit for his or her own occupancy, nor does it  
12 include a cooperative association which creates a condominium  
13 by conversion of an existing residential cooperative after  
14 control of the association has been transferred to the unit  
15 owners if, following the conversion, the unit owners will be  
16 the same persons who were unit owners of the cooperative and  
17 no units are offered for sale or lease to the public as part  
18 of the plan of conversion.

19 (18)~~(17)~~ "Division" means the Division of Florida Land  
20 Sales, Condominiums, and Mobile Homes of the Department of  
21 Business and Professional Regulation.

22 (19)~~(18)~~ "Land" means, unless otherwise defined in the  
23 declaration as hereinafter provided, the surface of a legally  
24 described parcel of real property and includes, unless  
25 otherwise specified in the declaration and whether separate  
26 from or including such surface, airspace lying above and  
27 subterranean space lying below such surface. However, if so  
28 defined in the declaration, the term "land" may mean all or  
29 any portion of the airspace or subterranean space between two  
30 legally identifiable elevations and may exclude the surface of  
31



1 a parcel of real property and may mean any combination of the  
2 foregoing, whether or not contiguous.

3 (20)~~(19)~~ "Limited common elements" means those common  
4 elements which are reserved for the use of a certain  
5 condominium unit or units to the exclusion of other units, as  
6 specified in the declaration of condominium.

7 (21) "Multicondominium" means a real estate  
8 development that contains more than one condominium operated  
9 by one condominium association.

10 (22)~~(20)~~ "Operation" or "operation of the condominium"  
11 includes the administration and management of the condominium  
12 property.

13 (23)~~(21)~~ "Rental agreement" means any written  
14 agreement, or oral agreement if for less duration than 1 year,  
15 providing for use and occupancy of premises.

16 (24)~~(22)~~ "Residential condominium" means a condominium  
17 consisting of condominium units, any of which are intended for  
18 use as a private temporary or permanent residence, except that  
19 a condominium is not a residential condominium if the use for  
20 which the units are intended is primarily commercial or  
21 industrial and not more than three units are intended to be  
22 used for private residence, and are intended to be used as  
23 housing for maintenance, managerial, janitorial, or other  
24 operational staff of the condominium. With respect to a  
25 condominium that is not a timeshare condominium, a residential  
26 unit includes a unit intended as a private temporary or  
27 permanent residence as well as a unit not intended for  
28 commercial or industrial use. With respect to a timeshare  
29 condominium, the timeshare instrument as defined in s.  
30 721.05(30)~~s. 721.05(28)~~ shall govern the intended use of each  
31 unit in the condominium. If a condominium is a residential

1 condominium but contains units intended to be used for  
2 commercial or industrial purposes, then, with respect to those  
3 units which are not intended for or used as private  
4 residences, the condominium is not a residential condominium.  
5 A condominium which contains both commercial and residential  
6 units is a mixed-use condominium subject to the requirements  
7 of s. 718.404.

8       ~~(23)~~ (25) "Special assessment" means any assessment  
9 levied against unit owners other than the assessment required  
10 by a budget adopted annually.

11       ~~(24)~~ (26) "Timeshare estate" means any interest in a  
12 unit under which the exclusive right of use, possession, or  
13 occupancy of the unit circulates among the various purchasers  
14 of a timeshare plan pursuant to chapter 721 on a recurring  
15 basis for a period of time.

16       ~~(25)~~ (27) "Timeshare unit" means a unit in which  
17 timeshare estates have been created.

18       ~~(26)~~ (28) "Unit" means a part of the condominium  
19 property which is subject to exclusive ownership. A unit may  
20 be in improvements, land, or land and improvements together,  
21 as specified in the declaration.

22       ~~(27)~~ (29) "Unit owner" or "owner of a unit" means a  
23 record owner of legal title to a condominium parcel.

24       ~~(28)~~ (30) "Voting certificate" means a document which  
25 designates one of the record title owners, or the corporate,  
26 partnership, or entity representative, who is authorized to  
27 vote on behalf of a condominium unit that is owned by more  
28 than one owner or by any entity.

29       ~~(29)~~ (31) "Voting interest" means the voting rights  
30 distributed to the association members pursuant to s.  
31 718.104(4)(i). In a multicondominium association the voting

1 interest of the association means the total votes in  
2 association affairs distributed to the owners of all units in  
3 all condominiums operated by the association. When a vote of  
4 the owners in any specific condominium on matters related to  
5 that condominium is required or permitted, the voting interest  
6 of the condominium means the total votes distributed to the  
7 owners of units in that condominium.

8 Section 3. Paragraphs (f) and (g) of subsection (4) of  
9 section 718.104, Florida Statutes, 1998 Supplement, are  
10 amended to read:

11 718.104 Creation of condominiums; contents of  
12 declaration.--Every condominium created in this state shall be  
13 created pursuant to this chapter.

14 (4) The declaration must contain or provide for the  
15 following matters:

16 (f) The undivided share of ownership of in the common  
17 elements and common surplus of the condominium that is  
18 appurtenant to each unit stated as a percentage or a fraction  
19 of percentages or fractions, which, in the aggregate, must  
20 equal the whole. In the declaration of condominium for  
21 residential condominiums created after April 1, 1992, the  
22 ownership share of the common elements assigned to each  
23 residential unit shall be based either upon the total square  
24 footage of each residential unit in uniform relationship to  
25 the total square footage of each other residential unit in the  
26 condominium or on an equal fractional basis.

27 (g) The percentage or fractional shares of liability  
28 for the proportions or percentages of and manner of sharing  
29 common expenses of the condominium and owning the common  
30 surplus, which, for all a residential units condominium, must  
31 be the same as the undivided shares of ownership in the common

1 elements and common surplus appurtenant to each unit under  
2 paragraph (f). If a developer has reserved the right in a  
3 declaration recorded on or after July 1, 1999, to create a  
4 multicondominium development, the declaration of condominium  
5 for the first such condominium to be created must state, or  
6 provide a specific formula for determining, the fractional or  
7 percentage shares of liability for the common expenses of the  
8 association and ownership of the common surplus of the  
9 association to be allocated to the units in each condominium  
10 to be operated by the association. If the first declaration as  
11 originally recorded fails to so provide, the share of  
12 liability for the common expenses of the association allocated  
13 to each unit in condominiums operated by the association shall  
14 be a fraction of the whole, the numerator of which is the  
15 number "one" and the denominator of which is the total number  
16 of units in all condominiums operated by the association.

17 Section 4. Subsections (4) and (9) of section 718.110,  
18 Florida Statutes, are amended, and subsection (12) is added to  
19 that section, to read:

20 718.110 Amendment of declaration; correction of error  
21 or omission in declaration by circuit court.--

22 (4) Unless otherwise provided in the declaration as  
23 originally recorded, no amendment may change the configuration  
24 or size of any ~~condominium~~ unit in any material fashion,  
25 materially alter or modify the appurtenances to the unit, or  
26 change the proportion or percentage by which the owner of the  
27 unit ~~parcel~~ shares the common expenses and owns the common  
28 surplus unless the record owner of the unit and all record  
29 owners of liens on it join in the execution of the amendment  
30 and unless all the record owners of all other units in the  
31 same condominium approve the amendment. The acquisition of

1 property by the association, and material alterations or  
2 substantial additions to such property or the common elements  
3 by the association in accordance with s. 718.111(7) or s.  
4 718.113, shall not be deemed to constitute a material  
5 alteration or modification of the appurtenances to the units.  
6 A declaration recorded after April 1, 1992, may not require  
7 the approval of less than a majority of total voting interests  
8 of the condominium for amendments under this subsection,  
9 unless required by any governmental entity.

10 (9) If there is an omission or error in a declaration  
11 of condominium, or in any other document required by law to  
12 establish the condominium, the association may correct the  
13 error or omission by an amendment to the declaration or to the  
14 other document required to create a condominium in the manner  
15 provided in the declaration to amend the declaration or, if  
16 none is provided, by vote of a majority of the voting  
17 interests of the condominium. The amendment is effective when  
18 passed and approved and a certificate of the amendment is  
19 executed and recorded as provided in subsection (2)~~s.~~  
20 ~~718.104~~. This procedure for amendment cannot be used if such  
21 an amendment would materially or adversely affect property  
22 rights of unit owners, unless the affected unit owners consent  
23 in writing. This subsection does not restrict the powers of  
24 the association to otherwise amend the declaration, or other  
25 documentation, but authorizes a simple process of amendment  
26 requiring a lesser vote for the purpose of curing defects,  
27 errors, or omissions when the property rights of unit owners  
28 are not materially or adversely affected.

29 (12) Unless approval by a greater number is uniformly  
30 required in the declarations of all condominiums comprising a  
31 multicondominium development, an amendment may not change the

1 fractional or percentage share of liability for the common  
2 expenses of the association and ownership of the common  
3 surplus of the association allocated to each unit as provided  
4 in s. 718.104(4)(g) without the approval of at least a  
5 majority of the total voting interests of each condominium  
6 operated by the association. Unless a greater number is  
7 expressly required in the declaration, the declaration of  
8 condominium for any existing condominium may be amended upon  
9 the approval of at least a majority of the total voting  
10 interests of each condominium operated by the association, for  
11 the purpose of causing it to conform to the requirements of s.  
12 718.104(4)(f) as reasonably necessary to:

13 (a) Set forth in a declaration a formula that is  
14 already in use, but not previously stated in the declaration,  
15 for the sharing of common expenses and common surplus of the  
16 association within an existing multicondominium development;  
17 or

18 (b) Allow the creation or enlargement of a  
19 multicondominium development by the merger or consolidation of  
20 two or more condominium associations.

21 Section 5. Paragraphs (a) and (c) of subsection (12)  
22 and subsections (13), (14), and (15) of section 718.111,  
23 Florida Statutes, 1998 Supplement, are amended to read:

24 718.111 The association.--

25 (12) OFFICIAL RECORDS.--

26 (a) From the inception of the association, the  
27 association shall maintain each of the following items, when  
28 applicable, which shall constitute the official records of the  
29 association:

30 1. A copy of the plans, permits, warranties, and other  
31 items provided by the developer pursuant to s. 718.301(4).

1           2. A photocopy of the recorded declaration of  
2 condominium of each condominium operated by the association  
3 and of each amendment to each declaration.

4           3. A photocopy of the recorded bylaws of the  
5 association and of each amendment to the bylaws.

6           4. A certified copy of the articles of incorporation  
7 of the association, or other documents creating the  
8 association, and of each amendment thereto.

9           5. A copy of the current rules of the association.

10           6. A book or books which contain the minutes of all  
11 meetings of the association, of the board of directors, and of  
12 unit owners, which minutes shall be retained for a period of  
13 not less than 7 years.

14           7. A current roster of all unit owners and their  
15 mailing addresses, unit identifications, voting  
16 certifications, and, if known, telephone numbers. If a  
17 condominium association or its unit owners are made members in  
18 a master condominium association, such condominium  
19 association, at the request of the master condominium  
20 association, shall provide the information listed in this  
21 paragraph to the master condominium association at no cost to  
22 the master condominium association.

23           8. All current insurance policies of the association  
24 and condominiums operated by the association.

25           9. A current copy of any management agreement, lease,  
26 or other contract to which the association is a party or under  
27 which the association or the unit owners have an obligation or  
28 responsibility.

29           10. Bills of sale or transfer for all property owned  
30 by the association.

31

1           11. Accounting records for the association and  
2 separate accounting records for each condominium which the  
3 association operates, according to good accounting practices.  
4 All accounting records shall be maintained for a period of not  
5 less than 7 years. The accounting records shall include, but  
6 are not limited to:

7           a. Accurate, itemized, and detailed records of all  
8 receipts and expenditures.

9           b. A current account and a monthly, bimonthly, or  
10 quarterly statement of the account for each unit designating  
11 the name of the unit owner, the due date and amount of each  
12 assessment, the amount paid upon the account, and the balance  
13 due.

14           c. All audits, reviews, accounting statements, and  
15 financial reports of the association or condominium.

16           d. All contracts for work to be performed. Bids for  
17 work to be performed shall also be considered official records  
18 and shall be maintained for a period of 1 year.

19           12. Ballots, sign-in sheets, voting proxies, and all  
20 other papers relating to voting by unit owners, which shall be  
21 maintained for a period of 1 year from the date of the  
22 election, vote, or meeting to which the document relates.

23           13. All rental records, when the association is acting  
24 as agent for the rental of condominium units.

25           14. A copy of the current question and answer sheet as  
26 described by s. 718.504.

27           15. All other records of the association not  
28 specifically included in the foregoing which are related to  
29 the operation of the association.

30           (c) The official records of the association are open  
31 to inspection by any association member or the authorized



1 representative of such member at all reasonable times. The  
2 right to inspect the records includes the right to make or  
3 obtain copies, at the reasonable expense, if any, of the  
4 association member. The association may adopt reasonable  
5 rules regarding the frequency, time, location, notice, and  
6 manner of record inspections and copying. The failure of an  
7 association to provide the records within 10 working days  
8 after receipt of a written request shall create a rebuttable  
9 presumption that the association willfully failed to comply  
10 with this paragraph. A unit owner who is denied access to  
11 official records is entitled to the actual damages or minimum  
12 damages for the association's willful failure to comply with  
13 this paragraph. The minimum damages shall be \$50 per calendar  
14 day up to 10 days, the calculation to begin on the 11th  
15 working day after receipt of the written request. The failure  
16 to permit inspection of the association records as provided  
17 herein entitles any person prevailing in an enforcement action  
18 to recover reasonable attorney's fees from the person in  
19 control of the records who, directly or indirectly, knowingly  
20 denied access to the records for inspection. The association  
21 shall maintain an adequate number of copies of the  
22 declaration, articles of incorporation, bylaws, and rules, and  
23 all amendments to each of the foregoing, as well as the  
24 question and answer sheet provided for in s. 718.504 and  
25 year-end financial information required in this section on the  
26 condominium property to ensure their availability to unit  
27 owners and prospective purchasers, and may charge its actual  
28 costs for preparing and furnishing these documents to those  
29 requesting the same. Notwithstanding the provisions of this  
30 paragraph, the following records shall not be accessible to  
31 unit owners:

1           1. Any document protected by the attorney-client  
2 privilege as described in s. 90.502, as well as material  
3 protected by the work-product privilege which consists of any  
4 record ~~A record which was~~ prepared by an association attorney  
5 or prepared at the attorney's express direction, which  
6 reflects a mental impression, conclusion, litigation strategy,  
7 or legal theory of the attorney or the association, and which  
8 was prepared exclusively for civil or criminal litigation or  
9 for adversarial administrative proceedings, or which was  
10 prepared in anticipation of imminent civil or criminal  
11 litigation or imminent adversarial administrative proceedings  
12 until the conclusion of the litigation or adversarial  
13 administrative proceedings.

14           2. Information obtained by an association in  
15 connection with the approval of the lease, sale, or other  
16 transfer of a unit.

17           3. Medical records of unit owners.

18           (13) FINANCIAL REPORTS.--Within 90 ~~60~~ days following  
19 the end of the fiscal ~~or calendar~~ year or annually on the such  
20 date as is otherwise provided in the bylaws of the  
21 association, the board of administration of the association  
22 shall cause to be prepared ~~mail or furnish by personal~~  
23 ~~delivery to each unit owner~~ a complete financial report of  
24 actual receipts and expenditures of the association for the  
25 preceding fiscal year. Regardless of the number of units  
26 operated by an association or the amount of revenues earned by  
27 the association, the association may voluntarily prepare  
28 ~~previous 12 months, or~~ a complete set of financial statements  
29 as provided in subsection (14) ~~for the preceding fiscal year~~  
30 ~~prepared in accordance with generally accepted accounting~~  
31 principles. The association shall, at the option of the board,

1 mail or deliver a copy of the financial report or financial  
2 statements to all of the unit owners, or shall notify each of  
3 the unit owners that a copy of the report or statements is  
4 available at no charge, within 14 days after the association's  
5 receipt of the report or statements.The financial report must  
6 ~~shall~~ show the amounts of receipts by accounts and receipt  
7 classifications and shall show the amounts of expenses by  
8 accounts and expense classifications for the association and  
9 each condominium operated by a multicondominium association,  
10 including, if applicable, but not limited to, the following:  
11 (a) Costs for security;  
12 (b) Professional and management fees and expenses;  
13 (c) Taxes;  
14 (d) Costs for recreation facilities;  
15 (e) Expenses for refuse collection and utility  
16 services;  
17 (f) Expenses for lawn care;  
18 (g) Costs for building maintenance and repair;  
19 (h) Insurance costs;  
20 (i) Administrative and salary expenses; and  
21 (j) Reserves accumulated and expended for capital  
22 expenditures, deferred maintenance, and any other category for  
23 which the association maintains a reserve account or accounts.  
24 For a multicondominium association, the reserve disclosures  
25 must separately show reserves accumulated and expended on  
26 behalf of the unit owners of all condominiums and by the unit  
27 owners of specific condominiums.  
28 (14) FINANCIAL STATEMENTS.--The division shall adopt  
29 rules that ~~which~~ may require that the association prepare  
30 within 90 days after the end of each fiscal year or annually  
31 on the date provided in the bylaws ~~deliver to the unit owners,~~

1 in lieu of the financial report required by subsection (13), a  
2 complete set of financial statements for the preceding fiscal  
3 year. The association shall, at the option of the board, mail  
4 or deliver a copy of the financial statements to all of the  
5 unit owners, or shall notify each of the unit owners that a  
6 copy of the statements is available at no charge, within 14  
7 days after the association's receipt of the statements.~~The~~  
8 ~~financial statements shall be delivered within 90 days~~  
9 ~~following the end of the previous fiscal year or annually on~~  
10 ~~such other date as provided by the bylaws.~~The rules of the  
11 division may require that the financial statements be  
12 compiled, reviewed, or audited, based on the size of the  
13 association and the amount of revenues earned by the  
14 association and the rules shall take into consideration the  
15 ~~criteria set forth in s. 718.501(1)(j).~~ The requirement to  
16 have the financial statements compiled, reviewed, or audited  
17 does not apply to associations when a majority of the voting  
18 interests of the association present at a duly called meeting  
19 of the association have determined for a fiscal year to waive  
20 this requirement. In an association in which turnover of  
21 control by the developer has not occurred, the developer may  
22 vote to waive the audit, review, or compilation requirement  
23 for the first 2 fiscal years of the operation of the  
24 association, after which time waiver of an applicable audit,  
25 review, or compilation requirement shall be by a majority of  
26 voting interests of the association other than the developer.  
27 The meeting shall be held prior to the end of the fiscal year,  
28 and the waiver shall be effective for only 1 fiscal year.  
29 This subsection does not apply to an association that operates  
30 ~~a condominium which consists of 50 or fewer units.~~ For a  
31 multicondominium association, the financial statements may be

1 presented on a combined basis if the notes or supplementary  
2 information disclose the revenues, expenses, and changes in  
3 fund balances for the association and for each condominium. In  
4 addition, the financial statements, notes, or supplementary  
5 information must disclose the revenues and common expenses of  
6 the association and the method used to allocate the revenues,  
7 expenses, and common surplus of the association to the unit  
8 owners.

9 (15) COMMINGLING OF FUNDS.--All funds shall be  
10 maintained separately in the association's name. Reserve and  
11 operating funds of the association shall not be commingled  
12 unless combined for investment purposes. This subsection does  
13 not ~~is not meant to~~ prohibit prudent investment of association  
14 funds even if such investment involves combining ~~combined with~~  
15 operating and ~~or other~~ reserve funds of the same association,  
16 and this subsection does not prohibit a multicondominium  
17 association from commingling the operating funds of the  
18 condominiums it operates, but the operating and reserve ~~such~~  
19 funds must be accounted for separately, and the combined  
20 account balance may not, at any time, be less than the amount  
21 identified as reserve funds in the combined account. A ~~No~~  
22 manager or business entity required to be licensed or  
23 registered under s. 468.432, and an ~~no~~ agent, employee,  
24 officer, or director of a condominium association may not  
25 ~~shall~~ commingle any association funds with his or her funds or  
26 with the funds of any other condominium association or  
27 community association as defined in s. 468.431.

28 Section 6. Paragraphs (d), (e), and (f) of subsection  
29 (2) of section 718.112, Florida Statutes, 1998 Supplement, are  
30 amended to read:

31 718.112 Bylaws.--

1           (2) REQUIRED PROVISIONS.--The bylaws shall provide for  
2 the following and, if they do not do so, shall be deemed to  
3 include the following:

4           (d) Unit owner meetings.--

5           1. There shall be an annual meeting of the unit  
6 owners. Unless the bylaws provide otherwise, a vacancy on the  
7 board of administration caused by the expiration of a  
8 director's term shall be filled by electing a new board  
9 member, and the election shall be by secret ballot; however,  
10 if the number of vacancies equals or exceeds the number of  
11 candidates, no election is required. If there is no provision  
12 in the bylaws for terms of the members of the board of  
13 administration, the terms of all members of the board of  
14 administration shall expire upon the election of their  
15 successors at the annual meeting. Any unit owner desiring to  
16 be a candidate for board membership shall comply with  
17 subparagraph 3. In order to be eligible for board membership,  
18 a person must meet the requirements set forth in the  
19 declaration. A person who has been convicted of any felony by  
20 any court of record in the United States and who has not had  
21 his or her right to vote restored pursuant to law in the  
22 jurisdiction of his or her residence is not eligible for board  
23 membership. The validity of an action by the board is not  
24 affected if it is later determined that a member of the board  
25 is ineligible for board membership due to having been  
26 convicted of a felony.

27           2. The bylaws shall provide the method of calling  
28 meetings of unit owners, including annual meetings. Written  
29 notice, which notice must include an agenda, shall be mailed  
30 or delivered to each unit owner at least 14 days prior to the  
31 annual meeting and shall be posted in a conspicuous place on

1 the condominium property at least 14 continuous days preceding  
2 the annual meeting. Upon notice to the unit owners, the board  
3 shall by duly adopted rule designate a specific location on  
4 the condominium property or association property upon which  
5 all notices of unit owner meetings shall be posted; however,  
6 if there is no condominium property or association property  
7 upon which notices can be posted, this requirement does not  
8 apply. Unless a unit owner waives in writing the right to  
9 receive notice of the annual meeting by mail, the notice of  
10 the annual meeting shall be sent by mail to each unit owner.  
11 Where a unit is owned by more than one person, the association  
12 shall provide notice, for meetings and all other purposes, to  
13 that one address which the developer initially identifies for  
14 that purpose and thereafter as one or more of the owners of  
15 the unit shall so advise the association in writing, or if no  
16 address is given or the owners of the unit do not agree, to  
17 the address provided on the deed of record. An officer of the  
18 association, or the manager or other person providing notice  
19 of the association meeting, shall provide an affidavit or  
20 United States Postal Service certificate of mailing, to be  
21 included in the official records of the association affirming  
22 that the notice was mailed or hand delivered, in accordance  
23 with this provision, to each unit owner at the address last  
24 furnished to the association.

25           3. The members of the board of administration shall be  
26 elected by written ballot or voting machine. Proxies shall in  
27 no event be used in electing the board of administration,  
28 either in general elections or elections to fill vacancies  
29 caused by recall, resignation, or otherwise, unless otherwise  
30 provided in this chapter. Not less than 60 days before a  
31 scheduled election, the association shall mail or deliver,

1 whether by separate association mailing or included in another  
2 association mailing or delivery including regularly published  
3 newsletters, to each unit owner entitled to a vote, a first  
4 notice of the date of the election. Any unit owner or other  
5 eligible person desiring to be a candidate for the board of  
6 administration must give written notice to the association not  
7 less than 40 days before a scheduled election. Together with  
8 the written notice and agenda as set forth in subparagraph 2.,  
9 the association shall mail or deliver a second notice of the  
10 election to all unit owners entitled to vote therein, together  
11 with a ballot which shall list all candidates. Upon request of  
12 a candidate, the association shall include an information  
13 sheet, no larger than 8 1/2 inches by 11 inches, which must  
14 be furnished by the candidate not less than 35 days before the  
15 election, to be included with the mailing of the ballot, with  
16 the costs of mailing or delivery and copying to be borne by  
17 the association. However, the association has no liability for  
18 the contents of the information sheets prepared by the  
19 candidates. In order to reduce costs, the association may  
20 print or duplicate the information sheets on both sides of the  
21 paper. The division shall by rule establish voting procedures  
22 consistent with the provisions contained herein, including  
23 rules providing for the secrecy of ballots. Elections shall  
24 be decided by a plurality of those ballots cast. There shall  
25 be no quorum requirement; however, at least 20 percent of the  
26 eligible voters must cast a ballot in order to have a valid  
27 election of members of the board of administration. No unit  
28 owner shall permit any other person to vote his or her ballot,  
29 and any such ballots improperly cast shall be deemed invalid.  
30 A unit owner who needs assistance in casting the ballot for  
31 the reasons stated in s. 101.051 may obtain assistance in



1 casting the ballot. Any unit owner violating this provision  
2 may be fined by the association in accordance with s. 718.303.  
3 The regular election shall occur on the date of the annual  
4 meeting. The provisions of this subparagraph shall not apply  
5 to timeshare condominium associations. In addition, unless  
6 otherwise provided in the condominium documents or in the  
7 master condominium association documents, this subparagraph  
8 does not apply to the election, appointment, or other  
9 selection of board members in a master condominium  
10 association, which must comply with the condominium documents  
11 or the master condominium association documents, as  
12 applicable.Notwithstanding the provisions of this  
13 subparagraph, an election and balloting are not required  
14 unless more candidates file notices of intent to run or are  
15 nominated than vacancies exist on the board.

16 4. Any approval by unit owners called for by this  
17 chapter or the applicable declaration or bylaws, including,  
18 but not limited to, the approval requirement in s. 718.111(8),  
19 shall be made at a duly noticed meeting of unit owners and  
20 shall be subject to all requirements of this chapter or the  
21 applicable condominium documents relating to unit owner  
22 decisionmaking, except that unit owners may take action by  
23 written agreement, without meetings, on matters for which  
24 action by written agreement without meetings is expressly  
25 allowed by the applicable bylaws or declaration or any statute  
26 that provides for such action.

27 5. Unit owners may waive notice of specific meetings  
28 if allowed by the applicable bylaws or declaration or any  
29 statute.

30 6. Unit owners shall have the right to participate in  
31 meetings of unit owners with reference to all designated

1 agenda items. However, the association may adopt reasonable  
2 rules governing the frequency, duration, and manner of unit  
3 owner participation.

4 7. Any unit owner may tape record or videotape a  
5 meeting of the unit owners subject to reasonable rules adopted  
6 by the division.

7 8. Unless otherwise provided in the bylaws, any  
8 vacancy occurring on the board before the expiration of a term  
9 may be filled by the affirmative vote of the majority of the  
10 remaining directors, even if the remaining directors  
11 constitute less than a quorum, or by the sole remaining  
12 director. In the alternative, a board may hold an election to  
13 fill the vacancy, in which case the election procedures must  
14 conform to the requirements of subparagraph 3. unless the  
15 association has opted out of the statutory election process,  
16 in which case the bylaws of the association control. Unless  
17 otherwise provided in the bylaws, a board member appointed or  
18 elected under this section shall fill the vacancy for the  
19 unexpired term of the seat being filled. Filling vacancies  
20 created by recall is governed by paragraph (j) and rules  
21 adopted by the division.

22  
23 Notwithstanding subparagraphs (b)2. and (d)3., an association  
24 may, by the affirmative vote of a majority of the total voting  
25 interests, provide for different voting and election  
26 procedures in its bylaws, which vote may be by a proxy  
27 specifically delineating the different voting and election  
28 procedures. The different voting and election procedures may  
29 provide for elections to be conducted by limited or general  
30 proxy.

31

1           (e) Budget meeting.--The board of administration shall  
2 hand deliver to each unit owner, or mail to each unit owner at  
3 the address last furnished to the association, a meeting  
4 notice and copies of the proposed annual budget of common  
5 expenses not less than 14 days prior to the meeting of the  
6 unit owners or the board of administration at which the budget  
7 will be considered. Evidence of compliance with this 14-day  
8 notice must be made by an affidavit executed by an officer of  
9 the association or the manager or other person providing  
10 notice of the meeting and filed among the official records of  
11 the association. The meeting must be open to the unit owners.  
12 If an adopted budget requires assessments against the unit  
13 owners in any fiscal or calendar year which exceed 115 percent  
14 of the assessments for the preceding year, the board, upon  
15 written application to the board of 10 percent of the voting  
16 interests of units subject to assessment under that budget ~~to~~  
17 ~~the board~~, shall call a special meeting of the unit owners  
18 within 30 days upon not less than 10 days' written notice to  
19 each unit owner. At the special meeting, the unit owners  
20 subject to assessment under the budget ~~may~~ shall consider and  
21 enact a different budget. Unless the bylaws require a larger  
22 vote, the adoption of an annual ~~the~~ budget by unit owners  
23 requires the affirmative ~~a~~ vote of at least ~~not less than~~ a  
24 majority ~~vote~~ of all the voting interests subject to  
25 assessment under that budget. The board of administration may  
26 propose a budget to the unit owners at a meeting of the  
27 members or in writing by mail, and if the ~~budget or~~ proposed  
28 budget is approved by a majority of the voting interests of  
29 units subject to assessments under the budget ~~the unit owners~~  
30 at the meeting or ~~by a majority of all the voting interests in~~  
31 writing, the budget is adopted. If a meeting of the unit

1 owners has been called and a quorum is not attained or a  
2 substitute budget is not adopted by the unit owners, the  
3 budget adopted by the board of directors goes into effect as  
4 scheduled. In determining whether assessments exceed 115  
5 percent of similar assessments in prior years, any authorized  
6 provisions for reasonable reserves for repair or replacement  
7 of the condominium property, anticipated expenses by the  
8 condominium association which are not anticipated to be  
9 incurred on a regular or annual basis, or assessments for  
10 betterments to the condominium property must be excluded from  
11 the computation. However, as long as the developer is in  
12 control of the board of administration, the board may not  
13 impose an assessment for any year greater than 115 percent of  
14 the prior fiscal or calendar year's assessment without  
15 approval of a majority of all the voting interests of units  
16 subject to assessments under the budget. A multicondominium  
17 association shall adopt a separate budget of common expenses  
18 for each condominium it operates and shall adopt a separate  
19 budget of common expenses of the association.

20 (f) Annual budget.--

21 1. The proposed annual budget of common expenses shall  
22 be detailed and shall show the amounts budgeted by accounts  
23 and expense classifications, including, if applicable, but not  
24 limited to, those expenses listed in s. 718.504(21)~~s.~~  
25 ~~718.504(20)~~. In addition, if the association maintains limited  
26 common elements with the cost to be shared only by those  
27 entitled to use the limited common elements as provided for in  
28 s. 718.113(1), the budget or a schedule attached thereto shall  
29 show amounts budgeted therefor. If, after turnover of control  
30 of the association to the unit owners, any of the expenses  
31

1 listed in s. 718.504(21)~~s. 718.504(20)~~ are not applicable,  
2 they need not be listed.

3           2. In addition to annual operating expenses, the  
4 budget shall include reserve accounts for capital expenditures  
5 and deferred maintenance. These accounts shall include, but  
6 are not limited to, roof replacement, building painting, and  
7 pavement resurfacing, regardless of the amount of deferred  
8 maintenance expense or replacement cost, and for any other  
9 item for which the deferred maintenance expense or replacement  
10 cost exceeds \$10,000. The amount to be reserved shall be  
11 computed by means of a formula which is based upon estimated  
12 remaining useful life and estimated replacement cost or  
13 deferred maintenance expense of each reserve item. The  
14 association may adjust replacement reserve assessments  
15 annually to take into account any changes in estimates or  
16 extension of the useful life of a reserve item caused by  
17 deferred maintenance. This subsection does not apply to  
18 budgets in which the members of an association have, by a  
19 majority vote at a duly called meeting of the association, and  
20 voting determined for a fiscal year to provide no reserves or  
21 reserves less adequate than required by this subsection.  
22 However, prior to turnover of control of an association by a  
23 developer to unit owners other than a developer pursuant to s.  
24 718.301, the developer may vote to waive the reserves or  
25 reduce the funding of reserves for the first 2 fiscal years of  
26 the operation of the association, beginning with the date the  
27 initial declaration is recorded in the county records, after  
28 which time reserves may be waived or reduced only upon the  
29 vote of a majority of all nondeveloper voting interests voting  
30 in person or by limited proxy at a duly called meeting of the  
31 association. If a meeting of the unit owners has been called

1 to determine to provide no reserves or reserves less adequate  
2 than required, and such result is not attained or a quorum is  
3 not attained, the reserves as included in the budget shall go  
4 into effect. After the turnover, the developer may vote to  
5 waive or reduce the funding of reserves.

6 3. Reserve funds and any interest accruing thereon  
7 shall remain in the reserve account or accounts, and shall be  
8 used only for authorized reserve expenditures unless their use  
9 for other purposes is approved in advance by a majority vote  
10 at a duly called meeting of the association. Prior to turnover  
11 of control of an association by a developer to unit owners  
12 other than the developer pursuant to s. 718.301, the  
13 developer-controlled association shall not vote to use  
14 reserves for purposes other than that for which they were  
15 intended without the approval of a majority of all  
16 nondeveloper voting interests, voting in person or by limited  
17 proxy at a duly called meeting of the association.

18 4. In a multicondominium association, the only voting  
19 interests of the association which are eligible to vote on  
20 questions that involve waiving or reducing the funding of  
21 reserves or using existing reserve funds for other purposes  
22 are the voting interests of the units that are subject to  
23 assessment to fund the reserves in question.

24 Section 7. Subsections (2) and (5) of section 718.113,  
25 Florida Statutes, are amended to read:

26 718.113 Maintenance; limitation upon improvement;  
27 display of flag; hurricane shutters.--

28 (2)(a) Except as otherwise provided in this section,  
29 there shall be no material alteration or substantial additions  
30 to the common elements or to real property which is  
31 association property, except in a manner provided in the

1 declaration. If the declaration does not specify the  
2 procedure for approval of alterations or additions, 75 percent  
3 of the total voting interests of the association must approve  
4 the alterations or additions.

5 (b) For a multicondominium association, there may not  
6 be any material alteration or substantial addition made to the  
7 common elements of a condominium or condominiums unless  
8 approved in a manner provided in the declaration of the  
9 affected condominium or condominiums. If a declaration does  
10 not specify a procedure for approving an alteration or  
11 addition, the approval of 75 percent of the total voting  
12 interests of each affected condominium is required. This  
13 section does not prohibit a requirement in any condominium  
14 document that requires the approval of unit owners in other  
15 condominiums or that requires the approval of the board of  
16 directors before an alteration or substantial addition to the  
17 common elements is permitted.

18 (c) For a multicondominium association, there may not  
19 be any material alteration or substantial addition made to  
20 association real property, except as provided in the bylaws.  
21 If the bylaws do not specify the procedure for approving an  
22 alteration or addition to association real property, the  
23 approval of 75 percent of the total voting interests of the  
24 association is required.

25 (5)(a) With respect to units, the ~~Each~~ board of  
26 directors ~~administration~~ shall adopt and maintain hurricane  
27 ~~shutter~~ specifications for hurricane shutters suitable for  
28 installation over all exterior openings in the perimeter  
29 boundary of each unit in ~~building within~~ each condominium  
30 operated by the association. The specifications must address  
31 ~~which shall include~~ color, style, location, and other factors

1 reasonably deemed relevant by the board, and must meet or  
2 exceed all requirements of. All specifications adopted by the  
3 board shall comply with the applicable building codes code.  
4 Notwithstanding any other provision to the contrary in the  
5 condominium documents, if association approval of alterations  
6 or additions to common elements made by owners is required by  
7 the documents, a board may shall not deny or unreasonably  
8 delay approval of refuse to approve the installation of new or  
9 replacement of hurricane shutters substantially conforming to  
10 the specifications adopted by the board. The association may  
11 operate shutters installed in units as provided in this  
12 subsection without permission of the unit owners only when  
13 reasonably necessary to preserve and protect other units, the  
14 common elements, or both.

15 (b) With respect to common elements and association  
16 property, the board may, subject to the provisions of s.  
17 718.3026, and the approval of a majority of voting interests  
18 of the condominium, install, maintain, repair, and replace  
19 hurricane shutters and may maintain, repair, or replace such  
20 approved hurricane shutters, whether on or within common  
21 elements, limited common elements, units, or association  
22 property. The installation, operation, replacement, repair,  
23 or maintenance of hurricane shutters in accordance with this  
24 paragraph is not a material alteration of or a substantial  
25 addition to common elements or association property within the  
26 meaning of subsection (2). However, where laminated glass or  
27 window film architecturally designed to function as hurricane  
28 protection that meets or exceeds all which complies with the  
29 applicable building code requirements has been installed, the  
30 board may not install hurricane shutters. The board may  
31 operate shutters installed pursuant to this subsection without



1 ~~permission of the unit owners only where such operation is~~  
2 ~~necessary to preserve and protect the condominium property and~~  
3 ~~association property. The installation, replacement,~~  
4 ~~operation, repair, and maintenance of such shutters in~~  
5 ~~accordance with the procedures set forth herein shall not be~~  
6 ~~deemed a material alteration to the common elements or~~  
7 ~~association property within the meaning of this section.~~

8 Section 8. Section 718.115, Florida Statutes, 1998  
9 Supplement, is amended to read:

10 718.115 Common expenses and common surplus.--

11 (1)(a) Common expenses include the expenses of the  
12 operation, maintenance, repair, replacement, or protection of  
13 the common elements and association property, costs of  
14 carrying out the powers and duties of the association, and any  
15 other expense, whether or not included in the foregoing,  
16 designated as common expense by this chapter, the declaration,  
17 the documents creating the association, or the bylaws. Common  
18 expenses also include reasonable transportation services,  
19 insurance for directors and officers, road maintenance and  
20 operation expenses, in-house communications, and security  
21 services, which are reasonably related to the general benefit  
22 of the unit owners even if such expenses do not attach to the  
23 common elements or property of the condominium. However, such  
24 common expenses must either have been services or items  
25 provided from the date the control of the board of  
26 administration of the association was transferred from the  
27 developer to the unit owners or must be services or items  
28 provided for in the condominium documents or bylaws. With  
29 respect to a multicondominium association, the common expenses  
30 of the association are the common expenses that are not  
31 directly attributable to the operation of a specific

1 condominium or condominiums, and common expenses of the  
2 condominium are the common expenses that are directly  
3 attributable to the operation of a specific condominium or  
4 condominiums. The common expenses of the association may  
5 include categories of expenses related to the property within  
6 a specific condominium or condominiums if such property or  
7 common elements are within areas that all members of the  
8 association have use rights or receive other tangible economic  
9 benefits. Such common expenses of the association must be  
10 identified in the declaration or bylaws.

11 (b) If provided for in the declaration or bylaws, the  
12 actual cost of registration or tuition and reimbursement for  
13 mileage, at the rate allowed by the Internal Revenue Service  
14 at the time the expense is incurred, is a permissible common  
15 expense to pay for participation by officers or directors of  
16 the condominium in educational courses offered within the  
17 state which relate to the provisions of this chapter and the  
18 administrative regulations adopted under this chapter. Such  
19 reimbursement is limited to participation in educational  
20 programs while serving as an officer or director. The  
21 declaration or bylaws may provide a cap on such educational  
22 expenditures. All expenses incurred must be documented by  
23 contemporaneous receipts, which must be kept as part of the  
24 official records of the association. When an educational  
25 program is offered in multiple locations, course cost and  
26 mileage reimbursement may only be made for the location  
27 closest to the condominium association or to the location  
28 closest to the attending officer or director.

29 (c)~~(b)~~ If so provided in the declaration, the cost of  
30 a master antenna television system or duly franchised cable  
31 television service obtained pursuant to a bulk contract shall

1 be deemed a common expense. If the declaration does not  
2 provide for the cost of a master antenna television system or  
3 duly franchised cable television service obtained under a bulk  
4 contract as a common expense, the board of administration may  
5 enter into such a contract, and the cost of the service will  
6 be a common expense but allocated on a per-unit basis rather  
7 than a percentage basis if the declaration provides for other  
8 than an equal sharing of common expenses, and any contract  
9 entered into before July 1, 1998, in which the cost of the  
10 service is not equally divided among all unit owners, may be  
11 changed by vote of a majority of the voting interests present  
12 at a regular or special meeting of the association, to  
13 allocate the cost equally among all units. The contract shall  
14 be for a term of not less than 2 years.

15         1. Any contract made by the board after the effective  
16 date hereof for a community antenna system or duly franchised  
17 cable television service may be canceled by a majority of the  
18 voting interests present at the next regular or special  
19 meeting of the association. Any member may make a motion to  
20 cancel said contract, but if no motion is made or if such  
21 motion fails to obtain the required majority at the next  
22 regular or special meeting, whichever is sooner, following the  
23 making of the contract, then such contract shall be deemed  
24 ratified for the term therein expressed.

25         2. Any such contract shall provide, and shall be  
26 deemed to provide if not expressly set forth, that any hearing  
27 impaired or legally blind unit owner who does not occupy the  
28 unit with a non-hearing-impaired or sighted person may  
29 discontinue the service without incurring disconnect fees,  
30 penalties, or subsequent service charges, and as to such  
31 units, the owners shall not be required to pay any common

1 expenses charge related to such service. If less than all  
2 members of an association share the expenses of cable  
3 television, the expense shall be shared equally by all  
4 participating unit owners. The association may use the  
5 provisions of s. 718.116 to enforce payment of the shares of  
6 such costs by the unit owners receiving cable television.

7 (d)(c) The expense of installation, replacement,  
8 operation, repair, and maintenance of hurricane shutters  
9 within a condominium by the association under board pursuant  
10 to s. 718.113(5) shall constitute a common expense of the  
11 condominium as defined herein and shall be collected as  
12 provided in this section. The expense of installation,  
13 replacement, operation, repair, and maintenance of hurricane  
14 shutters on association property as provided in s. 718.113(5)  
15 constitutes a common expense of the association as defined in  
16 this section. Notwithstanding the provisions of s. 718.116(9),  
17 if an association installs hurricane shutters in units as  
18 provided in s. 718.113(5), a unit owner who has previously  
19 installed hurricane shutters within his or her own unit in  
20 accordance with s. 718.113(5), or laminated glass  
21 architecturally designed to function as hurricane protection  
22 which complies with the applicable building code, shall be  
23 deemed to have prepaid the unit's share of all common expenses  
24 of the condominium for installing shutters in other units  
25 receive a credit equal to the pro rata portion of the assessed  
26 installation cost assigned to each unit. However, such unit  
27 owner shall remain responsible for the unit's pro rata share  
28 of the common expenses of the condominium for installing  
29 hurricane shutters installed on common elements and the unit's  
30 pro rata share of the common expenses of the association for  
31 installing hurricane shutters on association property by the

1 ~~board~~ pursuant to s. 718.113(5), and shall remain responsible  
2 for a pro rata share of the expense of the replacement,  
3 operation, repair, and maintenance of such shutters.

4 (e)~~(d)~~ If any unpaid share of common expenses or  
5 assessments is extinguished by foreclosure of a superior lien  
6 or by a deed in lieu of foreclosure thereof, the unpaid share  
7 of common expenses or assessments are common expenses  
8 collectible from all the unit owners in the condominium in  
9 which the unit is located.

10 (2) Except as otherwise provided by this chapter,  
11 funds for the payment of common expenses of each condominium  
12 shall be collected by assessments against unit owners in the  
13 proportions or percentages provided in the declaration. In a  
14 residential condominium, or mixed-use condominium created  
15 after January 1, 1996, each unit's share of ~~unit~~ owners'  
16 shares of common expenses and common surplus shall be the same  
17 ~~as the in the same proportions as their~~ ownership interest in  
18 the common elements. In a multicondominium association, the  
19 total common surplus owned by a unit owner includes the unit  
20 owner's share of the common surplus of the association as  
21 defined in s. 718.104(4)(g).

22 (3) Common surplus is owned by unit owners in the same  
23 shares as their ownership interest in the common elements.

24 Section 9. Subsection (9) of section 718.116, Florida  
25 Statutes, 1998 Supplement, is amended to read:

26 718.116 Assessments; liability; lien and priority;  
27 interest; collection.--

28 (9)(a) A ~~No~~ unit owner may not be excused from the  
29 payment of the unit's ~~his or her~~ share of the common expenses  
30 ~~expense of a condominium~~ unless all unit owners are likewise  
31

1 proportionately excused from payment, except as provided in  
2 subsection (1) and in the following cases:

3           1. If the declaration so provides, a developer ~~or~~  
4 ~~other person~~ who is offering ~~owns~~ condominium units ~~offered~~  
5 for sale may elect to be excused from the payment of the share  
6 of the common expenses and assessments related to those units  
7 for a stated period of time subsequent to the recording of the  
8 declaration of condominium. The period must terminate no  
9 later than the first day of the fourth calendar month  
10 following the month in which the first closing of the purchase  
11 and sale of a unit in that ~~the first~~ condominium ~~unit~~ occurs.  
12 However, the developer must pay those common expenses incurred  
13 during that period which exceed the amount assessed against  
14 other unit owners. Notwithstanding this limitation, if a  
15 developer-controlled association has maintained all insurance  
16 coverages required by s. 718.111(11)(a), the common expenses  
17 incurred during the foregoing period resulting from a natural  
18 disaster or an act of God, which are not covered by insurance  
19 proceeds from the insurance maintained by the association, may  
20 be assessed ~~assigned~~ against all ~~unit~~ owners of ~~owning~~ units  
21 on the date of such natural disaster or act of God, and their  
22 successors and assigns, including the developer with respect  
23 to units owned by the developer. In the event of such an  
24 assessment, all units shall be assessed in accordance with  
25 their ownership interest in the common elements as required by  
26 s. 718.115(2).

27           2. A developer or other person who owns condominium  
28 units and is offering the units for sale or who has an  
29 obligation to pay common ~~condominium~~ expenses may be excused  
30 from paying the ~~payment of his or her~~ share of the common  
31 expenses ~~expense~~ which would otherwise be ~~have been~~ assessed

1 against those units during the period of time that such person  
2 ~~he or she~~ has guaranteed to each purchaser in the purchase  
3 contract, declaration, ~~or~~ prospectus, or by agreement between  
4 the developer and a majority of the unit owners other than the  
5 developer, that assessments ~~the assessment~~ for common expenses  
6 ~~of the condominium~~ imposed upon the unit owners would not  
7 increase over a stated dollar amount, and such person has  
8 obligated himself or herself to pay any amount of common  
9 expenses incurred during that period and not produced by the  
10 assessments at the guaranteed level receivable from other unit  
11 owners in the same condominium. Notwithstanding this  
12 limitation, if a developer-controlled association has  
13 maintained all insurance coverages required by s.  
14 718.111(11)(a), the common expenses incurred during the  
15 guarantee period resulting from a natural disaster or an act  
16 of God, which are not covered by insurance proceeds from the  
17 insurance maintained by the association, may be assessed  
18 against all ~~unit~~ owners of owning units on the date of such  
19 natural disaster or act of God, and their successors and  
20 assigns, including the developer with respect to units owned  
21 by the developer. In the event of such an assessment, all  
22 units shall be assessed in accordance with their ownership  
23 interest in the common elements as required by s. 718.115(2).  
24 The guarantee may provide that after an initial stated period,  
25 the developer has an option or options to extend the guarantee  
26 for one or more additional stated periods.

27 (b) If the purchase contract, declaration, prospectus,  
28 or agreement between the developer and a majority of unit  
29 owners other than the developer provides for the developer or  
30 another person to be excused from the payment of assessments  
31 pursuant to paragraph (a), no funds which are receivable from

1 unit purchasers or owners and payable to the association or  
2 collected by the developer on behalf of the association, other  
3 than regular periodic assessments for common expenses as  
4 provided in the declaration and disclosed in the estimated  
5 operating budget pursuant to s. 718.503(1)(b)6. or s.  
6 718.504(21)(b)~~s. 718.504(20)(b)~~, shall be used for payment of  
7 common expenses prior to the expiration of the period during  
8 which the developer or other person is so excused. This  
9 restriction applies to funds including, but not limited to,  
10 capital contributions or startup funds collected from unit  
11 purchasers at closing.

12 (c) If a developer is excused from paying assessments  
13 under paragraph (a) within a multicondominium association, the  
14 developer's financial obligation to the association shall  
15 consist of two parts as follows:

16 1. The developer shall pay those common expenses of  
17 the condominium affected by the guarantee, including the  
18 funding of reserves as included in the adopted budget of that  
19 condominium, in excess of the amount assessed against the  
20 nondeveloper units within that condominium through regular  
21 periodic assessments related to the adopted budget of that  
22 condominium; and

23 2. The developer shall pay the portion of the common  
24 expenses of the association, including the funding of reserves  
25 as included in the adopted budget of the association,  
26 allocated to the units within the condominium affected by the  
27 guarantee which is in excess of the amount assessed against  
28 the nondeveloper units within that condominium through regular  
29 periodic assessments related to the adopted budget of the  
30 association.

31



1           Section 10. Subsection (11) is added to section  
2 718.117, Florida Statutes, 1998 Supplement, to read:

3           718.117 Termination.--

4           (11) This section does not apply to the termination of  
5 a condominium incident to a merger of that condominium with  
6 one or more other condominiums under s. 718.110(7).

7           Section 11. Section 718.405, Florida Statutes, is  
8 created to read:

9           718.405 Multicondominiums.--

10          (1) An association may operate more than one  
11 condominium if the declaration of condominium for each  
12 condominium to be operated by that association provides for  
13 multicondominium development, in conformity with this section,  
14 and discloses or describes:

15          (a) The manner or formula by which the assets,  
16 liabilities, and the common expenses of the association will  
17 be apportioned among the various units within the condominiums  
18 operated by the association, consistent with s. 718.104(4)(g).

19          (b) The land on which any additional condominiums to  
20 be operated by the association may be located.

21          (c) Whether unit owners in other condominiums, or any  
22 other persons, will or may have the right to use recreational  
23 areas or any other facilities or amenities that are common  
24 elements of the condominium, and, if so, the specific formula  
25 by which the other users will share the common expenses  
26 related to those facilities or amenities.

27          (d) The recreational and other commonly used  
28 facilities or amenities that the developer has committed to  
29 provide and that are owned or leased by the association but  
30 are not included within any condominium. The developer may  
31 reserve the right to add additional facilities or amenities if

1 the prospectus for each condominium to be operated by the  
2 association contains the following statement in conspicuous  
3 type and in substantially the following form: RECREATIONAL  
4 FACILITIES MAY BE EXPANDED OR ADDED WITHOUT CONSENT OF UNIT  
5 OWNERS OR THE ASSOCIATION.

6 (e) The voting rights of the owners of each unit in  
7 the election of directors and in other association affairs  
8 when a vote of the owners is taken, including, but not limited  
9 to, a statement as to whether each unit owner will have a  
10 right to personally cast his or her own vote in all matters  
11 voted upon.

12 (f) Whether timeshare estates will or may be created  
13 with respect to any unit in any condominium operated or to be  
14 operated by the association, and, if so, the degree, quantity,  
15 nature, and extent of such estates, including a specification  
16 of the minimum duration of the recurring periods of rights of  
17 use, possession, or occupancy that may be established with  
18 respect to any unit.

19 (2) The developer shall notify the nondeveloper owners  
20 of all units of a decision not to add additional condominiums.  
21 Notice must be given by first-class mail addressed to each  
22 unit owner at the address of the unit or to the unit owner's  
23 last known address.

24 (3) If any declaration requires a developer to convey  
25 any additional lands or facilities to the association and the  
26 developer fails to do so within the time specified, or within  
27 a reasonable time if none is specified, any owner of a unit or  
28 the association may enforce such obligation against the  
29 developer or bring an action against the developer for  
30 specific performance or for damages that result from the

31

1 developer's failure or refusal to convey such additional lands  
2 or facilities.

3 (4) The declaration that creates each condominium to  
4 be operated by the association may not, at the time of its  
5 initial recording, contain any provision with respect to the  
6 allocation of the assets, liabilities, or common expenses of  
7 the association which is inconsistent with this chapter or the  
8 provisions of the declaration of condominium for any other  
9 condominium then being operated by the association.

10 (5) The recording of a declaration that creates an  
11 additional condominium to be operated by a multicondominium  
12 association in compliance with this section must be approved  
13 by two-thirds of the voting interests of each other  
14 condominium operated by the association if timeshare estates  
15 are authorized in the declaration of the additional  
16 condominium. This subsection does not apply if the creation of  
17 timeshare estates is authorized under the original declaration  
18 of condominium.

19 (6) This section does not prevent or restrict the  
20 formation of a multicondominium development by the merger or  
21 consolidation of two or more condominium associations that are  
22 not under developer control. Such mergers or consolidations  
23 shall be accomplished in accordance with the condominium  
24 documents of the condominiums involved and in accordance with  
25 chapter 617, which governs the merger or consolidation of  
26 corporations, as applicable. Section 718.110(4) does not apply  
27 to amendments to the declarations of condominium necessary to  
28 effect the merger or consolidation.

29 Section 12. Present subsections (15) through (27) of  
30 section 718.504, Florida Statutes, 1998 Supplement, are  
31 redesignated as subsections (16) through (28), respectively, a

1 new subsection (15) is added to that section, and subsection  
2 (29) is added to that section, to read:

3           718.504 Prospectus or offering circular.--Every  
4 developer of a residential condominium which contains more  
5 than 20 residential units, or which is part of a group of  
6 residential condominiums which will be served by property to  
7 be used in common by unit owners of more than 20 residential  
8 units, shall prepare a prospectus or offering circular and  
9 file it with the Division of Florida Land Sales, Condominiums,  
10 and Mobile Homes prior to entering into an enforceable  
11 contract of purchase and sale of any unit or lease of a unit  
12 for more than 5 years and shall furnish a copy of the  
13 prospectus or offering circular to each buyer. In addition to  
14 the prospectus or offering circular, each buyer shall be  
15 furnished a separate page entitled "Frequently Asked Questions  
16 and Answers," which shall be in accordance with a format  
17 approved by the division and a copy of the financial  
18 information required by s. 718.111. This page shall, in  
19 readable language, inform prospective purchasers regarding  
20 their voting rights and unit use restrictions, including  
21 restrictions on the leasing of a unit; shall indicate whether  
22 and in what amount the unit owners or the association is  
23 obligated to pay rent or land use fees for recreational or  
24 other commonly used facilities; shall contain a statement  
25 identifying that amount of assessment which, pursuant to the  
26 budget, would be levied upon each unit type, exclusive of any  
27 special assessments, and which shall further identify the  
28 basis upon which assessments are levied, whether monthly,  
29 quarterly, or otherwise; shall state and identify any court  
30 cases in which the association is currently a party of record  
31 in which the association may face liability in excess of

1 \$100,000; and which shall further state whether membership in  
2 a recreational facilities association is mandatory, and if so,  
3 shall identify the fees currently charged per unit type. The  
4 division shall by rule require such other disclosure as in its  
5 judgment will assist prospective purchasers. The prospectus or  
6 offering circular may include more than one condominium,  
7 although not all such units are being offered for sale as of  
8 the date of the prospectus or offering circular. The  
9 prospectus or offering circular must contain the following  
10 information:

11 (15) If the condominium is or may become part of a  
12 multicondominium development, the following information must  
13 be stated:

14 (a) A statement in conspicuous type in substantially  
15 the following form: THIS CONDOMINIUM IS (MAY BE) PART OF A  
16 MULTICONDOMINIUM DEVELOPMENT IN WHICH OTHER CONDOMINIUMS WILL  
17 (MAY) BE OPERATED BY THE SAME ASSOCIATION. Immediately  
18 following this statement, the location in the prospectus and  
19 its exhibits where the multicondominium aspects of the  
20 offering are described must be stated.

21 (b) A summary of the provisions in the declaration and  
22 bylaws which establish and provide for the operation of the  
23 multicondominium development, including a statement as to  
24 whether unit owners in the condominium will have the right to  
25 use recreational or other facilities located or planned to be  
26 located in other condominiums operated by the same  
27 association, and the manner of sharing the common expenses  
28 related to such facilities.

29 (c) A statement of the minimum and maximum number of  
30 condominiums, and the minimum and maximum number of units in  
31 each of those condominiums, which will or may be operated by

1 the association, and the latest date by which the exact  
2 numbers will be finally determined.

3 (d) A statement as to whether any of the condominiums  
4 may include units intended to be used for nonresidential  
5 purposes, and, if so, the purpose or purposes permitted for  
6 such use.

7 (e) A general description of the land on which any  
8 additional condominiums to be operated by the association may  
9 be located.

10 (29) If the condominium unit is or may be granted use  
11 rights in a master condominium development, the following  
12 statement must appear in conspicuous type in substantially the  
13 following form: MEMBERSHIP IN A MASTER CONDOMINIUM  
14 ASSOCIATION IS OR MAY BE REQUIRED. REFER TO YOUR MASTER  
15 CONDOMINIUM ASSOCIATION DOCUMENTS FOR PROVISIONS RELATING TO  
16 TURNOVER, MEMBERSHIP REQUIREMENTS, VOTING RIGHTS, AND THE  
17 PAYMENT OF ASSESSMENTS. NOTE THAT THE DEVELOPER MAY BE  
18 ENTITLED TO RETAIN CONTROL OF THE MASTER CONDOMINIUM  
19 ASSOCIATION WITHOUT LIMITATION UNTIL SUCH TIME AS MAY BE  
20 PROVIDED FOR IN THE MASTER CONDOMINIUM ASSOCIATION DOCUMENTS.

21 Section 13. Part VII of chapter 718, Florida Statutes,  
22 consisting of ss. 718.701, 718.702, 718.703, 718.704, 718.705,  
23 718.706, 718.707, and 718.708, Florida Statutes, is created to  
24 read:

25 718.701 Purpose and legislative intent.--

26 (1) The purpose of this part is to recognize certain  
27 entities established for the purpose of owning or operating  
28 properties and amenities in which condominium unit owners or  
29 condominium timeshare owners have use rights, to provide  
30 relevant definitions, and to provide for the operation of  
31 associations previously included within the definition in s.

1 718.103(2). This part does not apply to traditional  
2 condominium associations that are responsible for operating  
3 the common elements of one or more condominiums, but applies  
4 only to master condominium associations that administer real  
5 property or facilities that do not comprise the common  
6 elements or association property of a condominium. The  
7 Legislature does not intend to prohibit the creation or  
8 operation of committees, organizations, councils, advisory  
9 groups, or other entities that exercise some degree of  
10 authority, whether derived from contract or from recorded  
11 documents, over property that does not comprise the common  
12 elements of a condominium in which condominium owners have use  
13 rights. However, if an entity falls within the definition of a  
14 master condominium association as provided in s. 718.702, if  
15 membership is mandatory, and if the entity has the right to  
16 charge assessments that may create a lien on condominium  
17 property, the entity is subject to this part. This part does  
18 not apply to cooperative associations regulated under chapter  
19 719, to voluntary associations formed under chapter 723, or to  
20 homeowners associations regulated under ss. 617.301-617.312.  
21 The Legislature further recognizes that even if condominium  
22 unit owners are not made direct voting members in the master  
23 condominium association, such owners may be significantly  
24 affected by the operation of the association, and in  
25 recognition of such effect, it is appropriate to confer  
26 certain basic rights on these affected persons.

27 (2) The Legislature does not intend for this part to  
28 impair vested rights with respect to master condominium  
29 associations in existence prior to July 1, 1999. Therefore,  
30 this part applies to master condominium associations created  
31 before July 1, 1999, only to the extent that such retroactive

1 application does not impair vested rights or operate to impair  
2 contractual or constitutional rights. This part is remedial in  
3 nature and shall be broadly construed to accomplish these  
4 objectives.

5 (3) The Legislature finds that it is in the best  
6 interest of all parties to provide for an expansive role of  
7 the Division of Florida Land Sales, Condominiums, and Mobile  
8 Homes of the Department of Business and Professional  
9 Regulation in providing for the education of board members,  
10 affected owners, and members in master condominium  
11 associations. The division shall enforce this part and the  
12 rules adopted under this part with respect to master  
13 condominium associations to the same extent that the division  
14 regulates condominium associations under s. 718.501.

15 718.702 Definitions.--As used in this part, the term:

16 (1) "Affected owner" means a condominium unit owner  
17 who is not a voting member in the master condominium  
18 association, but who has use rights in the common property or  
19 facilities administered by that association.

20 (2) "Common property" means those properties and  
21 facilities operated by a master condominium association for  
22 the use and benefit of its members and affected persons,  
23 regardless of whether such property is owned by the master  
24 condominium association.

25 (3) "Declaration of covenants and restrictions" means  
26 a declaration of covenants, restrictions, servitudes, or deed  
27 restrictions, or any other recorded covenant or restriction  
28 that governs the properties administered by the master  
29 condominium association. A declaration of covenants and  
30 restrictions is not required in order to form a master  
31 condominium development.



1           (4) "Developer" means a person who creates a master  
2 condominium development by recording in the public records a  
3 declaration of covenants and restrictions or otherwise, or who  
4 offers condominium parcels for sale or lease in the ordinary  
5 course of business where the condominium parcel owner will  
6 have use rights in property operated by a master condominium  
7 association. The term includes a successor or subsequent  
8 developer who succeeds to the interests of a developer by  
9 sale, lease, assignment, foreclosure of a mortgage, or other  
10 transfer and who offers parcels for sale or lease in the  
11 ordinary course of business. The term also includes a  
12 concurrent developer who acts concurrently with a developer in  
13 selling or leasing condominium parcels in the ordinary course  
14 of business. The term does not include an owner of a  
15 condominium unit who has acquired a condominium unit for his  
16 or her own occupancy and who later offers it for resale or for  
17 lease.

18           (5) "Division" means the Division of Florida Land  
19 Sales, Condominiums, and Mobile Homes of the Department of  
20 Business and Professional Regulation.

21           (6) "Master condominium association" means the entity  
22 that is primarily responsible for the operation of real  
23 property or facilities that do not constitute the common  
24 elements of a condominium or association property of a  
25 condominium association; in which condominium unit owners have  
26 use rights; where voting membership will be composed  
27 exclusively of condominium unit owners or their agents or  
28 representatives; where membership either directly by a  
29 condominium unit owner or through an agent or representative  
30 is a required condition of condominium unit ownership; where  
31 the entity may assess its members or affected owners for the

1 costs of shared expenses; and where any unpaid assessment may  
2 ultimately become a lien on a condominium parcel or on the  
3 common elements of a condominium.

4 (7) "Master condominium association documents" means  
5 any declaration of covenants and restrictions recorded in the  
6 public records which governs the property administered by the  
7 master condominium association, the bylaws, the articles of  
8 incorporation of the association, and any recorded amendments  
9 to the covenants and restrictions, bylaws, or articles of  
10 incorporation.

11 (8) "Master condominium development" means a community  
12 in which a master condominium association operates common  
13 property or other recreational or common facilities for the  
14 use and benefit of its members and affected owners, and  
15 includes all property and improvements intended for use in  
16 conjunction with the development, whether built or unbuilt,  
17 which is added in future development.

18 (9) "Member" means a member of the master condominium  
19 association as designated in the master condominium  
20 association documents, and may include, but is not limited to,  
21 the owner of a condominium parcel, a condominium association  
22 representing condominium unit owners, or any other person or  
23 entity designated as a member by the master condominium  
24 association documents. A master condominium association may  
25 include voting members and nonvoting members.

26 (10) "Voting interest" means the voting rights  
27 distributed to members of the association pursuant to the  
28 association documents.

29 718.703 Association powers and duties; meetings;  
30 official records.--

31

1           (1) POWERS AND DUTIES.--The master condominium  
2 association must be a Florida not-for-profit corporation. The  
3 master condominium association documents and any amendment to  
4 the documents must be recorded in the official records of the  
5 county or counties in which the common property operated by  
6 the association, and all condominiums in which the unit owners  
7 have use rights in that common property, are located. The  
8 officers and directors of the association have a fiduciary  
9 duty to the members, the affected owners served by the  
10 association, and the association. The powers and duties of the  
11 master condominium association include those set forth in this  
12 part; those set forth in the master condominium association  
13 documents, except as expressly limited by this part; and those  
14 set forth in chapter 617, to the extent such provisions are  
15 not inconsistent with this part. An affected owner or member  
16 is not authorized to act for the master condominium  
17 association merely by virtue of being an affected owner or  
18 member. The association may contract, sue, or be sued with  
19 respect to the exercise or nonexercise of its powers. The  
20 powers of the association include, but are not limited to,  
21 maintaining, managing, protecting, and operating the common  
22 property.

23           (2) BOARD, COMMITTEE, AND MEMBERSHIP MEETINGS.--

24           (a) Meetings of the board at which at least a quorum  
25 of the members of the board are present shall be open to the  
26 members of the association, as well as affected owners.  
27 Meetings between the board or a committee and the association  
28 attorney with respect to proposed or pending litigation, or  
29 when the board or committee meeting is held for the purpose of  
30 rendering or seeking legal advice, shall not be open to the

31

1 membership of the association, and notice to the membership of  
2 such meetings is not required.

3 (b) Except in an emergency, or as otherwise provided  
4 in this part, notices of board meetings, including an agenda  
5 that specifically lists the items of business to be taken up  
6 at the meeting, must be posted in a conspicuous place on the  
7 common property at least 48 hours in advance of the meeting.  
8 Any item that is not included on the notice may be taken up on  
9 an emergency basis by a vote of at least a majority plus one  
10 of the members of the board. Such emergency action must be  
11 noticed and ratified at the next regular meeting of the board.  
12 However, written notice of any meeting at which nonemergency  
13 special assessments, or at which an amendment to rules  
14 regarding unit use, will be considered must be mailed or  
15 delivered to the members and affected owners and posted  
16 conspicuously on the master condominium association property  
17 not less than 14 days prior to the meeting. Evidence of  
18 compliance with this 14-day notice must be made by an  
19 affidavit executed by the person providing the notice and  
20 filed among the official records of the association. Meetings  
21 of a committee to take final action on behalf of the board, or  
22 to make recommendations to the board regarding the budget, are  
23 subject to this paragraph.

24 (c) There shall be an annual meeting of the members of  
25 the master condominium association. The bylaws must provide a  
26 reasonable method of calling and noticing membership meetings,  
27 including annual and special meetings. Notice of a meeting  
28 must be delivered or mailed at least 14 days before the  
29 meeting to all members of the master condominium association  
30 and affected owners and must be posted in a conspicuous  
31 location on the common property. Each notice of any membership

1 meeting must include a description of the purpose for which  
2 the meeting has been called.

3 (d) Members of the master condominium association and  
4 affected owners may attend and make audio or video recordings  
5 of record board meetings, committee meetings where the  
6 committee takes final action on behalf of the board or makes  
7 recommendations to the board regarding the budget, and  
8 membership meetings, except as otherwise provided in this  
9 section. The board may adopt reasonable rules regarding the  
10 use of audio and video equipment, and may prohibit or limit  
11 the use of artificial lighting.

12 (3) ELECTIONS, APPOINTMENTS, OR SELECTION OF  
13 DIRECTORS.--If regular elections are required to be held by  
14 the master condominium association, such elections must be  
15 held at or in conjunction with the annual meeting of the  
16 master condominium association. Elections, appointments, or  
17 other selections of board members of the master condominium  
18 association must be conducted in accordance with the  
19 procedures contained in the master condominium association  
20 documents or condominium documents, as applicable, which may  
21 provide for election by limited proxy, general proxy, voting  
22 machine, secret ballot, absentee ballot, or other method that  
23 is fair and reasonable.

24 (4) PROXY VOTING.--Unless the master condominium  
25 association documents provide to the contrary, members may  
26 vote by limited proxy or general proxy in any association  
27 business.

28 (5) ACTION WITHOUT MEETING.--The master condominium  
29 association documents may provide for the membership to take  
30 action without holding a meeting pursuant to an agreement in  
31

1 writing, an absentee ballot, a written ballot, or any other  
2 reasonable and dependable method of voting.

3 (6) OFFICIAL RECORDS.--Section 718.111(12) applies to  
4 master condominium associations, except that references to  
5 unit owners contained in s. 718.111(12) refer to members and  
6 affected owners, and references to any of the condominium  
7 documents refer to the master condominium association  
8 documents.

9 (7) ASSESSMENTS.--The master condominium association  
10 may make and collect assessments against its members and may  
11 lease, maintain, repair, and replace the common property. The  
12 association may impose reasonable fees authorized by law or  
13 authorized by the master condominium association documents.  
14 However, the association may not charge a use fee against  
15 members or affected owners for the use of the common property  
16 or facilities unless such a fee is expressly authorized in the  
17 master condominium association documents and the fee relates  
18 to expenses incurred by an owner having exclusive use of the  
19 common property.

20 (8) RULEMAKING AUTHORITY.--The division may adopt  
21 rules to administer this section.

22 718.704 Common property; alterations; appurtenances;  
23 amendments to master association documents.--

24 (1) TITLE TO PROPERTY.--A master condominium  
25 association has the power to acquire title to and other  
26 ownership or use interests in property, both real and  
27 personal, including, but not limited to, the power to purchase  
28 any lease of land, buildings, or recreation facilities, and to  
29 otherwise hold, convey, pledge, or mortgage property that it  
30 owns for the benefit of the members and for the use and  
31 benefit of affected owners, which power must be exercised in

1 the manner set forth in the master condominium association  
2 documents, except that such power may be exercised by the  
3 board of directors with respect to personal property. If the  
4 documents do not specify a voting procedure, the prior  
5 approval of two-thirds of the total voting interests of the  
6 association is required. The master condominium association  
7 documents may limit the method of acquiring, conveying,  
8 leasing, pledging, or mortgaging property. Unless expressly  
9 restricted in the master condominium association documents, an  
10 association may purchase a condominium unit granted use rights  
11 in the common property without a vote of the members of  
12 affected unit owners, and may own, lease, mortgage, or sell  
13 the unit or units. This subsection does not limit the ability  
14 of an association to take title to a unit through foreclosure  
15 of an association lien for unpaid master condominium expenses  
16 or limit the ability of an association to accept a deed in  
17 lieu of foreclosure.

18 (2) EASEMENTS.--Unless prohibited or restricted by the  
19 master condominium association documents or by this part, and  
20 subject to subsection (5), a master condominium association  
21 may grant, modify, or move any easement that is located on or  
22 that crosses the common property. Except as prohibited or  
23 restricted by the master condominium association documents or  
24 this part, and subject to subsection (5), the board may  
25 exercise this authority without the joinder or consent of  
26 members or affected owners.

27 (3) INSURANCE.--The master condominium association  
28 shall obtain and maintain adequate liability and property  
29 insurance to protect the association, its members, the common  
30 property, and any improvements to the common property,  
31 including, but not limited to, liability insurance for

1 directors, officers, and committee members; insurance for the  
2 benefit of association employees; flood insurance; and title  
3 insurance for any real property owned or operated by the  
4 association. Any insurance policy is subject to reasonable  
5 deductibles and exclusions. At the option of the board, the  
6 association may maintain an insurance reserve to protect  
7 against uninsured losses due to the application of a  
8 deductible or coverage exclusion.

9 (4) MATERIAL ALTERATIONS OR ADDITIONS TO COMMON  
10 PROPERTY.--Except as provided in subsection (1), the common  
11 property or related improvements administered by the master  
12 condominium association may not be materially altered or  
13 substantially added to except as provided in the master  
14 condominium association documents. However, any material  
15 alteration or substantial addition necessary to protect,  
16 maintain, repair, replace, or insure the common property or  
17 related improvements operated by the master condominium  
18 association, or necessary to protect the security or  
19 well-being of members or affected owners, may be made by the  
20 board without any vote of the members or affected owners,  
21 regardless of the estimated cost of the alteration or addition  
22 or regardless of the source of funding. If the master  
23 condominium association documents do not specify a procedure  
24 for approving alterations or additions, and if the  
25 contemplated alteration or addition does not involve the  
26 maintenance, protection, repair, or replacement of the common  
27 properties or the protection of the members or affected  
28 owners, the alteration or addition must be approved by at  
29 least a majority of the total voting interests of the  
30 association, expressed by a vote at a meeting or by written  
31 action. A material change in use of the common property



1 constitutes a material alteration to the common areas and does  
2 not constitute a material alteration to the appurtenances of  
3 the common property as described under paragraph (6)(d).

4 (5) MEMBERSHIPS.--A master condominium association may  
5 enter into agreements to acquire leaseholds, memberships, or  
6 other possessory or use interests in lands or facilities, such  
7 as country clubs, golf courses, marinas, and other  
8 recreational facilities, regardless of whether the lands or  
9 facilities are contiguous to the properties administered by  
10 the association or whether the properties are owned as common  
11 elements by any affected owners, if such properties are  
12 intended to provide enjoyment, recreation, or other use or  
13 benefit to the association members or affected owners. All  
14 such leaseholds, memberships, or other possessory or use  
15 interests existing or created at the time of recording the  
16 association documents must be stated and fully described in  
17 the association documents. Subsequent to recording the master  
18 condominium association documents, the master condominium  
19 association may not acquire or enter into such agreement  
20 except as authorized by the association documents or any  
21 amendments to the association documents. The master  
22 condominium association documents may provide that the rental,  
23 membership fees, operations, replacements, or other expenses  
24 are common expenses of the association and may impose  
25 covenants and restrictions concerning their use, which may  
26 contain other provisions not inconsistent with this part. An  
27 association may conduct bingo games as provided in s.  
28 849.0931.

29 (6) AMENDMENTS TO MASTER CONDOMINIUM ASSOCIATION  
30 DOCUMENTS.--

31

1           (a) Except as provided in paragraph (d), a master  
2 condominium association document recorded after October 1,  
3 1999, may not require that an amendment to the master  
4 condominium association documents be approved by more than a  
5 two-thirds majority of the total voting interests of the  
6 master condominium association. If the documents do not  
7 provide for an amendatory procedure, an amendment to the  
8 master condominium association documents must be approved by  
9 at least two-thirds of the total voting interests of the  
10 association.

11           (b) Section 718.110(2) shall govern the right of a  
12 developer to amend the association documents.

13           (c) An amendment to the master condominium association  
14 documents takes effect when recorded in the manner provided in  
15 s. 718.701(1). An amendment, other than an amendment made by  
16 the developer without a vote of the members pursuant to any  
17 right the developer has lawfully reserved in the document  
18 being amended to amend it without consent of the members,  
19 which reservation must be limited to matters other than those  
20 specified under s. 718.110(4) and (8), must be evidenced by a  
21 certificate of amendment executed by the association with the  
22 formalities of a deed. An amendment made unilaterally by the  
23 developer must also be evidenced by a certificate of amendment  
24 and must be executed by the developer rather than the  
25 association.

26           (d) Unless otherwise provided in the master  
27 condominium association documents as originally recorded, an  
28 amendment to the master condominium association documents may  
29 not materially alter or modify the appurtenances of any  
30 member, or the appurtenances to a unit owned by an affected  
31 owner, or change the proportion or percentage by which a

1 member or affected owner shares in the common expenses or owns  
2 the common surplus, unless all record owners of liens on  
3 common property operated by the master condominium association  
4 join in the execution of the amendment and unless, in the case  
5 of an amendment altering the appurtenances of a member, all of  
6 the affected members join in the execution of the amendment.  
7 In the case of an amendment altering the appurtenances to a  
8 unit owned by an affected owner, all affected condominium unit  
9 owners owning a unit in that condominium must join in the  
10 execution of the amendment in order for the amendment to be  
11 valid. The acquisition of property by the master condominium  
12 association or a material alteration or substantial addition  
13 to the common property in accordance with subsection (5) do  
14 not constitute a material alteration or modification to the  
15 appurtenances. Master condominium association documents  
16 recorded after October 1, 1999, may not require approval of  
17 fewer than two-thirds of the total voting interests for  
18 amendments under this paragraph, unless the amendment is  
19 required by any state or local government or agency thereof.  
20 (7) APPURTENANCES.--Members and affected owners shall  
21 have the following appurtenances, but only to the extent  
22 granted by the condominium documents or master condominium  
23 association documents:  
24 (a) Any ownership right or use right in the properties  
25 and facilities operated by the master condominium association,  
26 as set forth in the condominium documents or master  
27 condominium association documents;  
28 (b) The nonexclusive right to use the common areas for  
29 the purposes for which they are intended and reasonably  
30 suited, as set forth in the condominium documents or master  
31 condominium association documents;

1           (c) Membership or affected-owner status, including any  
2 right to vote in the affairs of the master condominium  
3 association, as set forth in the condominium documents or  
4 master condominium association documents;

5           (d) The right to share in the expenses of the  
6 association and to share in the common surplus of the  
7 association in the proportions or percentages provided for in  
8 the condominium documents or master condominium association  
9 documents; and

10           (e) Any other appurtenance provided for in the  
11 condominium documents or master condominium association  
12 documents.

13           (8) MERGER.--The property and facilities operated by a  
14 master condominium association may be merged with the property  
15 and facilities operated by a separate master condominium  
16 association upon the approval of the voting interests as  
17 provided for in the documents of each association. If the  
18 master condominium association documents do not provide for  
19 such a procedure, any such merger must be approved by the same  
20 vote that is required to modify the appurtenances to  
21 membership in the associations.

22           (9) AMENDMENTS NOT AFFECTING RIGHTS OR INTERESTS.--The  
23 master condominium association documents may not require the  
24 consent or joinder of some or all mortgagees of units of  
25 affected owners or the consent or joinder of some or all  
26 mortgagees of the property operated by the master condominium  
27 association for amendments to the master condominium  
28 association documents unless the requirement is limited to  
29 amendments materially and substantially affecting the rights  
30 or interests of the mortgagees, such as a change to the  
31 relative priority of the mortgage lien, or as otherwise

1 required by the Federal National Mortgage Association or the  
2 Federal Home Loan Mortgage Corporation, and unless the  
3 requirement provides that such consent or joinder may not be  
4 unreasonably withheld. Except with respect to the matters  
5 described in paragraph (6)(d), it is presumed that amendments  
6 to the association documents do not materially affect the  
7 rights or interests of mortgagees. If mortgagee consent is  
8 provided other than by properly recorded joinder, such consent  
9 must be evidenced by affidavit of the association recorded in  
10 the public records of the county or counties where the common  
11 property is located.

12 (10) RULEMAKING AUTHORITY.--The division may adopt  
13 rules to administer this section.

14 718.705 Basic rights; obligations of members and  
15 affected persons; imposition of fines.--

16 (1) If condominium unit owners are made voting members  
17 in the master condominium association, such condominium unit  
18 owners shall have all of the rights of membership set forth in  
19 this part, in the association documents, and in chapter 617,  
20 as applicable. However, if condominium unit owners are not  
21 made voting members in the master condominium association, as  
22 in the case where a condominium association is made a  
23 representative member in the master condominium association,  
24 individual condominium unit owners who are affected owners, as  
25 defined in s. 718.701, do not have and may not exercise  
26 membership rights. However, all affected owners may attend and  
27 make audio and video recordings of board meetings, committee  
28 meetings where the committee takes final action on behalf of  
29 the board or makes recommendations to the board regarding the  
30 budget, and membership meetings; have the right of access to  
31 the official records as provided in this part; and, where unit

1 owners have the right to vote in the election of a  
2 representative, have the right to recall a representative on  
3 the board of the master condominium association. These rights  
4 are coextensive with the rights granted to members.

5 (2) Members and affected owners may exercise the  
6 voting and election rights set forth in the master condominium  
7 association documents or condominium documents. Unless the  
8 master condominium association documents or condominium  
9 documents provide otherwise, and except as otherwise provided  
10 by this part, affected owners who are not members in the  
11 master condominium association may not vote in the affairs of  
12 the master condominium association and may not become  
13 candidates for the board merely by virtue of being an affected  
14 owner.

15 (3) The master condominium association may not suspend  
16 any membership or use rights or rights granted to members or  
17 affected owners for an alleged failure to pay assessments. In  
18 such case, the association's remedies are limited to the  
19 remedies provided in this part and s. 718.116.

20 (4) All common properties administered by the master  
21 condominium association must be available to members and  
22 affected owners, and their invited guests, for the use  
23 intended and reasonably suited. The master condominium  
24 association may adopt reasonable rules governing the use of  
25 the common property. An association may not unreasonably  
26 restrict any member or affected owner's right to invite public  
27 speakers or candidates for public office to appear and speak  
28 on those portions of the common properties suitable for such  
29 purposes.

30 (5) Each master condominium association, member,  
31 affected owner, tenant, and other invitee is governed by, and

1 must comply with, this part, applicable portions of this  
2 chapter, the master condominium association documents, and  
3 those portions of chapter 617 made applicable to this part,  
4 and such provisions are deemed to be incorporated into any  
5 lease of a condominium unit by a member or affected owner.  
6 Subject to the requirement of mandatory nonbinding  
7 arbitration, as provided in s. 718.1255, an action for  
8 damages, injunctive relief, declaratory relief, or other  
9 relief for failure to comply with these provisions, and any  
10 other action in law or equity, regardless of any lack of  
11 privity of contract, may be brought in the courts directly by  
12 a master condominium association, member, or affected owner  
13 against the association; a member; an affected owner;  
14 directors or officers appointed by the developer for actions  
15 taken by them prior to the time control of the association is  
16 assumed by members other than the developer; any director or  
17 officer who willfully and knowingly fails to comply with these  
18 provisions; any tenant leasing a unit from an affected owner;  
19 and any guests or other invitees of a member or affected  
20 owner. The prevailing party in any such court action may  
21 recover reasonable costs and attorney's fees. A unit owner who  
22 prevails in an action between the association and the unit  
23 owner, in addition to recovering reasonable costs and  
24 attorney's fees, may recover additional amounts that the court  
25 determines are necessary to reimburse the unit owner for his  
26 or her share of assessments levied by the association to fund  
27 its expenses of litigation. This relief does not exclude other  
28 remedies provided by law.

29 (6) If provided in the master condominium association  
30 documents, the master condominium association may levy  
31 reasonable fines against a condominium unit for the failure of

1 a member or affected owner, or a tenant, invitee, or other  
2 occupant of the unit of an affected owner, to comply with the  
3 master condominium association documents or the reasonable  
4 rules of the association. A fine may not become a lien against  
5 a condominium unit, and a fine may not exceed \$100 per  
6 violation. A fine may be levied on the basis of each day of a  
7 continuing violation, with a single notice and opportunity for  
8 a hearing. However, such fine may not exceed \$1,000 in the  
9 aggregate. A fine may not be levied except after giving  
10 reasonable notice and an opportunity for a hearing. The  
11 hearing must be held before a committee of members or affected  
12 persons other than board members, officers, or employees of  
13 the master condominium association. If the committee does not  
14 agree with the proposed fine, the fine may not be levied. This  
15 subsection does not apply to the imposition of administrative  
16 late fees or interest for failure to pay assessments as  
17 provided in the master condominium association documents.

18 718.706 Powers and duties of the division.--

19 (1) Pursuant to s. 718.501, the division may ensure  
20 and enforce compliance with this part and the rules adopted  
21 under this part and may institute enforcement proceedings  
22 under chapter 120. By October 1, 1999, the division shall  
23 adopt, by rule, penalty and educational guidelines applicable  
24 to possible violations of this part, categories of violations  
25 of this part, or rules adopted by the division. The guidelines  
26 must specify a meaningful range of civil penalties for each  
27 such violation of this part and rules, and must be based upon  
28 the harm caused by the violation, the repetition of the  
29 violation, and any other factors deemed relevant by the  
30 division. The division may consider whether the violation was  
31 committed by the developer of a master condominium development



1 or by an owner-controlled association, the size of the master  
2 condominium association, and other factors. The guidelines  
3 must designate the possible mitigating or aggravating  
4 circumstances that justify a departure from the range of  
5 penalties provided by the rules. The Legislature intends that  
6 minor violations be distinguished from those that endanger the  
7 health, safety, or welfare of the condominium residents or  
8 other persons and that such guidelines provide reasonable and  
9 meaningful notice to the public of likely penalties that may  
10 be imposed for proscribed conduct. The rules must specify when  
11 the division shall use education in lieu of enforcement by  
12 investigation and civil penalty. This subsection does not  
13 limit the ability of the division to informally dispose of  
14 administrative actions or complaints by stipulation, agreed  
15 settlement, or consent order.

16 (2) The division shall provide education for members  
17 in master condominium associations and for board members and  
18 affected owners.

19 (3) Before instituting litigation, a party to a  
20 dispute described under s. 718.1255 shall petition the  
21 division for mandatory nonbinding arbitration, which must be  
22 performed in accordance with that section. The division shall  
23 conduct arbitrations described in s. 718.1255 to resolve  
24 described disputes between a master condominium association  
25 and a member or members of the master condominium association  
26 and disputes between a master condominium association and an  
27 affected owner or owners, their tenants, guests, or other  
28 invitees.

29 (4) Each master condominium association that exists on  
30 July 1, 1999, must notify the division in writing of its  
31 existence prior to September 1, 1999, and must also notify the

1 division in writing within 30 days after the date on which  
2 membership of the master condominium association is no longer  
3 composed exclusively of condominium unit owners or their  
4 agents or representatives.

5 718.707 Financial reporting; master condominium  
6 association expenses; guarantees of expenses; budgets.--

7 (1) Master condominium association expenses include  
8 the expenses of operating, maintaining, repairing, replacing,  
9 protecting, and insuring the properties and facilities  
10 operated by the master condominium association; the costs of  
11 carrying out the powers and duties of the association; and any  
12 other expense, even if unrelated to the foregoing or not  
13 attached to the property or facilities operated by the  
14 association, which is specifically designated as a master  
15 condominium association expense by this chapter or by the  
16 master condominium association documents as initially recorded  
17 or as amended in accordance with the amendatory procedures  
18 provided in the documents.

19 (2) Funds for paying master condominium association  
20 expenses shall be collected by assessments against the members  
21 of the master condominium association, or affected owners, in  
22 the manner and in the percentages or proportions provided for  
23 in the master condominium association documents. The funds of  
24 the association may not be commingled with the funds of the  
25 developer, another master condominium association, or any  
26 other entity.

27 (3)(a) A master condominium association shall prepare  
28 annual financial reports as required by this subsection. As  
29 used in this subsection, the term "revenues" includes all  
30 regular and special assessments for reserves, operating  
31 expenses, or any other expenses, and all other sources of

1 revenues, including, but not limited to, interest, user fees,  
2 developer subsidies, litigation proceeds, and insurance  
3 proceeds.

4 (b) If total annual revenues of the association are  
5 \$100,000 or less, the association shall, at a minimum, prepare  
6 a complete cash-basis financial report of actual receipts and  
7 expenditures for the prior fiscal year. The report must show  
8 the amounts of receipts and expenditures by receipt and  
9 expense classification.

10 (c) If total annual revenues of the association exceed  
11 \$100,000, the association shall prepare a complete set of  
12 financial statements as follows:

13 1. If total annual revenues of the association exceed  
14 \$100,000, but are less than \$200,000, the association shall,  
15 at a minimum, prepare compiled financial statements.

16 2. If total annual revenues of the association are at  
17 least \$200,000, but are less than \$400,000, the association  
18 shall, at a minimum, prepare reviewed financial statements.

19 3. If total annual revenues of the association are  
20 \$400,000 or more, the association shall prepare audited  
21 financial statements.

22  
23 The financial statements required by this paragraph must be  
24 prepared on the accrual basis of accounting using fund  
25 accounting, and must be presented in accordance with generally  
26 accepted accounting principles.

27 (d) The requirements of this subsection to provide for  
28 compiled, reviewed, or audited financial statements may be  
29 waived upon approval of at least a majority of the total  
30 voting interests of the association. Such waiver is effective  
31 for only 1 fiscal year. If the requirement for compiled,

1 reviewed, or audited financial statements is waived, the  
2 financial report must comply, at a minimum, with s.  
3 718.111(13).

4 (e) An association is not precluded from exceeding the  
5 reporting requirements set forth in this subsection by  
6 preparing financial statements rather than a financial report  
7 of actual receipts and expenditures, by providing reviewed or  
8 audited financial statements rather than compiled statements,  
9 or by providing audited rather than reviewed statements.

10 (f) Except as otherwise provided in the master  
11 condominium association documents, the association shall  
12 prepare the financial report or financial statements within 90  
13 days following the end of the fiscal year to which the report  
14 or statements relate. The association shall, at the option of  
15 the board, mail or deliver a copy of the financial report or  
16 financial statements to all members, or shall notify each  
17 member that the report or statements are available at no  
18 charge, within 14 days after receipt of the report or  
19 statements by the association.

20 (4) Reserves for any item of capital expenditure or  
21 deferred maintenance which costs at least \$10,000 or 10  
22 percent of the annual operating budget to replace, whichever  
23 is greater, must be included in the annual budget and must be  
24 funded annually, unless waived in the manner provided in the  
25 master condominium association documents. In determining  
26 whether the cost equals or exceeds 10 percent of the budget,  
27 any authorized provisions for reasonable reserves for repair  
28 or replacement of the common property, and anticipated  
29 expenses by the association which are not anticipated to be  
30 incurred on a regular or annual basis, must be excluded from  
31 the computation. If the documents do not contain a waiver, the

1 required reserves may be waived by a majority of the voting  
2 interests present at a membership meeting at which a quorum of  
3 the voting interests is present. Reserves must be used for the  
4 specific item such funds are reserved for, unless the use of  
5 such funds is approved in advance by a majority of the voting  
6 interests present at a membership meeting at which a quorum is  
7 present. However, as provided in s. 718.112(2)(f)2., prior to  
8 turnover of control, a developer-controlled association may  
9 not use reserves for purposes other than that for which they  
10 were intended without the approval of a majority of all  
11 nondeveloper voting interests voting in person or by limited  
12 proxy at a meeting of the association.

13 (5) The budget for a master condominium association  
14 must comply with s. 718.112(2)(f).

15 (6) The division may adopt rules to administer this  
16 section.

17 718.708 Transfer of association control.--Any  
18 transition of the control of a master condominium association  
19 must be made in accordance with s. 617.307.

20 Section 14. Paragraph (a) of subsection (2) of section  
21 624.462, Florida Statutes, is amended to read:

22 624.462 Commercial self-insurance funds.--

23 (2) As used in ss. 624.460-624.488, "commercial  
24 self-insurance fund" or "fund" means a group of members,  
25 operating individually and collectively through a trust or  
26 corporation, that must be:

27 (a) Established by:

28 1. A not-for-profit trade association, industry  
29 association, or professional association of employers or  
30 professionals which has a constitution or bylaws, which is  
31 incorporated under the laws of this state, and which has been

1 organized for purposes other than that of obtaining or  
2 providing insurance and operated in good faith for a  
3 continuous period of 1 year;  
4         2. A self-insurance trust fund organized pursuant to  
5 s. 627.357 and maintained in good faith for a continuous  
6 period of 1 year for purposes other than that of obtaining or  
7 providing insurance pursuant to this section. Each member of  
8 a commercial self-insurance trust fund established pursuant to  
9 this subsection must maintain membership in the self-insurance  
10 trust fund organized pursuant to s. 627.357; or  
11         3. A not-for-profit group composed ~~comprised~~ of no  
12 fewer ~~less~~ than 10 condominium associations as defined in s.  
13 718.103(11) ~~s. 718.103(2)~~, which is incorporated under the  
14 laws of this state, which restricts its membership to  
15 condominium associations only, and which has been organized  
16 and maintained in good faith for a continuous period of 1 year  
17 for purposes other than that of obtaining or providing  
18 insurance.

19         Section 15. This act shall take effect July 1, 1999.  
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SENATE SUMMARY

Revises various provisions of part I of ch. 718, F.S., relating to general provisions governing condominium associations. Authorizes the creation of multicondominiums and conforms various provisions to such authorization. Provides for determining the percentage share of liability for common expenses and ownership in a multicondominium. Provides certain limitations on making material alterations or additions to multicondominiums. Revises requirements for installing and maintaining hurricane shutters. Provides for determining the common surplus owned by a unit owner of a multicondominium. Provides for merging or consolidating certain condominium associations. Creates part VII of ch. 718, F.S., to authorize the creation and operation of master condominium associations. Provides for the Division of Florida Land Sales, Condominiums, and Mobile Homes of the Department of Business and Professional Regulation to administer part VII of ch. 718, F.S. Provides for a master condominium association to acquire title to property and grant or modify easements. Provides requirements for liability and property insurance. Provides for a master condominium association to acquire memberships or use interests in other lands or facilities. Provides for amending the master condominium association documents. Authorizes merging master condominium associations. Provides rights of membership in a master condominium association. Authorizes a master condominium association to levy certain fines. (See bill for details.)