

By the Committee on Regulated Industries; and Senator Campbell

315-2038-02

1                                   A bill to be entitled  
2           An act relating to condominiums; creating s.  
3           718.701, F.S.; providing definitions; creating  
4           s. 718.702, F.S.; providing for master  
5           association meetings; requiring certain  
6           notices; establishing meeting rules; creating  
7           s. 718.703, F.S.; providing powers of the  
8           Division of Florida Land Sales, Condominiums,  
9           and Mobile Homes over master associations;  
10          creating s. 718.704, F.S.; requiring master  
11          associations to provide certain financial  
12          records or statements; providing an effective  
13          date.

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

16  
17           Section 1. Section 718.701, Florida Statutes, is  
18 created to read:

19           718.701 Definitions.--As used in ss. 718.701-718.704,  
20 the term:

21           (1) "Affected owner" means a condominium unit owner  
22 that has use rights in the common property or facilities  
23 administered by the master association.

24           (2) "Master association" means any entity not covered  
25 under the definition of "association" in s. 718.103(2) which  
26 has been given, by an association for which control has been  
27 transferred pursuant to s. 718.301, control or decision-making  
28 authority over real property or facilities of the association  
29 which would otherwise be controlled by that association under  
30 its governing documents, and which receives moneys funded by  
31 mandatory dues or assessments paid by condominium unit owners,

1 whether or not the master association has a governing body  
2 that includes representatives of the condominium association.  
3 The term does not include an entity that is granted management  
4 or maintenance responsibility under a service contract with a  
5 single association. The term also does not include any entity  
6 that has been granted or assigned decision-making authority  
7 over real property or facilities that include, in whole or in  
8 part, a timeshare plan as defined in s. 721.03.

9 (3) "Master association documents" means any  
10 declaration of covenants and restrictions or other  
11 organizational document that governs the property administered  
12 by the master association and includes the bylaws and the  
13 articles of incorporation of the master association.

14 (4) "Member" means a member of the master association  
15 as designated by the master association documents.

16 (5) "Revenues" means all regular or special  
17 assessments for reserves, operating or other expenses, and all  
18 other sources of revenue, including interest, user fees,  
19 developer subsidies, litigation proceeds, and insurance  
20 proceeds.

21 Section 2. Section 718.702, Florida Statutes, is  
22 created to read:

23 718.702 Master association meetings; records.--

24 (1) Meetings of a master association board at which a  
25 quorum of board members are present are open to the members of  
26 the master association and affected owners. Meetings between  
27 the board or a committee and the master association attorney  
28 with respect to proposed or pending litigation, or board or  
29 committee meetings pertaining to legal advice, are not open to  
30 the membership of the master association, and notice to the  
31 membership is not required.

1           (a) Adequate meeting notice that specifies agenda  
2 items must be given by the association in the same form and  
3 manner as notices of board of director meetings of the  
4 association to which the affected unit owners belong. Any item  
5 not included in the notice may be taken up on an emergency  
6 basis by at least a majority plus one vote of the members of  
7 the board. Such emergency action must be noticed and ratified  
8 at the next regular meeting of the board. However, written  
9 notice of any meeting at which nonemergency special  
10 assessments or amendments to the rules regarding unit use will  
11 be considered must be mailed or delivered to the members and  
12 affected owners and posted conspicuously on the condominium  
13 association property not less than 14 days prior to the  
14 meeting. Evidence of compliance with the notice must be made  
15 by affidavit executed by the person providing the notice and  
16 must be maintained among the official records of the  
17 association.

18           (b) The right to attend such meetings includes the  
19 right to speak with reference to all designated agenda items.  
20 The master association may adopt written reasonable rules  
21 governing the frequency, duration, and manner of unit owner  
22 statements.

23           (2) Subsection 718.111(12) applies to master  
24 associations, except that references to unit owners contained  
25 in that subsection apply to members and affected owners, and  
26 references to condominium documents therein refer to the  
27 master association documents.

28           Section 3. Section 718.703, Florida Statutes, is  
29 created to read:

30           718.703 Powers of Division of Florida Land Sales,  
31 Condominiums, and Mobile Homes over master associations.--On

1 demand by the division, any condominium association must  
2 notify the division of any master association with which it is  
3 associated which is pertinent to any inquiry or investigation  
4 regarding the rights of individual unit owners, and must  
5 provide copies of documents that establish and govern the  
6 relationship between the association and the master  
7 association.

8 Section 4. Section 718.704, Florida Statutes, is  
9 created to read:

10 718.704 Financial reporting.--

11 (1) If total annual revenue of a master association is  
12 \$100,000 or less, the association shall obtain from the master  
13 association for inclusion in the association's records a  
14 complete cash basis financial report of actual receipts and  
15 expenditures for the prior fiscal year.

16 (2) If total annual revenue of a master association  
17 exceeds \$100,000, the association shall prepare a complete set  
18 of financial statements in accordance with generally accepted  
19 accounting principles as follows:

20 (a) If total annual revenue of the master association  
21 exceeds \$100,000 but is less than \$200,000, the association  
22 shall obtain from the master association for inclusion in the  
23 association's records compiled financial statements.

24 (b) If total annual revenue of the master association  
25 exceeds \$200,000 but is less than \$400,000, the association  
26 shall obtain from the master association for inclusion in the  
27 association's records reviewed financial statements.

28 (c) If total annual revenue of the master association  
29 exceeds \$400,000, the association shall obtain from the master  
30 association for inclusion in the association's records audited  
31 financial statements.

