

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.

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

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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 or
22 homeowner that has use rights in the common property or
23 facilities 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 control or decision-making authority over real
27 property or facilities serving one or more condominiums under
28 its governing documents, and which receives moneys funded by
29 mandatory dues or assessments paid by affected owners, whether
30 or not the master association has a governing body that
31 includes representatives of the condominium association. The

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

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

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

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

19 Section 2. Section 718.702, Florida Statutes, is
20 created to read:

21 718.702 Master association meetings; records.--

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

30 (a) Adequate meeting notice in the manner provided in
31 s. 718.112(2)(c) shall be given to affected owners, and the

1 affected owners are entitled to the rights provided in s.
2 718.112(2)(c).

3 (b) The right to attend such meetings includes the
4 right to speak with reference to all designated agenda items.
5 The master association may adopt written reasonable rules
6 governing the frequency, duration, and manner of unit owner
7 statements.

8 (2) Subsection 718.111(12) applies to master
9 associations, except that references to unit owners contained
10 in that subsection apply to members and affected owners, and
11 references to condominium documents therein refer to the
12 master association documents.

13 Section 3. Section 718.703, Florida Statutes, is
14 created to read:

15 718.703 Powers of Division of Florida Land Sales,
16 Condominiums, and Mobile Homes over master associations.--On
17 demand by the division, any condominium association must
18 notify the division of any master association with which it is
19 associated which is pertinent to any inquiry or investigation
20 regarding the rights of individual unit owners, and must
21 provide copies of documents that establish and govern the
22 relationship between the association and the master
23 association.

24 Section 4. Section 718.704, Florida Statutes, is
25 created to read:

26 718.704 Financial reporting.--

27 (1) If total annual revenue of a master association is
28 \$100,000 or less, the association shall obtain from the master
29 association for inclusion in the association's records a
30 complete cash basis financial report of actual receipts and
31 expenditures for the prior fiscal year.

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

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

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

13 (c) If total annual revenue of the master association
14 exceeds \$400,000, the association shall obtain from the master
15 association for inclusion in the association's records audited
16 financial statements.

17 (3) Master associations may exceed these reporting
18 requirements.

19 (4) The association shall obtain the financial reports
20 or statements within 90 days following the end of the fiscal
21 year to which the reports or statements relate. The
22 condominium association shall make the reports or statements
23 available to condominium unit owners in the manner and form
24 required under its governing documents, but no later than 14
25 days after receipt.

26 (5) This section does not limit public records or
27 disclosure requirements that are required of a master
28 association or association under their governing documents or
29 under any other provision of law; however, the financial
30 reporting requirements of this section satisfy the financial
31 reporting requirements of s. 720.303(7).

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Section 5. This act shall take effect July 1, 2002.