

By Senator Geller

29-402-02

1                                   A bill to be entitled  
2           An act relating to condominiums, cooperatives,  
3           and homeowners' associations; amending s.  
4           702.09, F.S.; redefining the terms "mortgage"  
5           and "foreclosure proceedings"; amending s.  
6           718.104, F.S.; revising provisions relating to  
7           declarations for the creation of a condominium;  
8           amending s. 718.106, F.S.; revising provisions  
9           relating to appurtenances that pass with a  
10          condominium unit; amending s. 718.110, F.S.;  
11          revising provisions relating to amendments to a  
12          declaration of condominium; amending s.  
13          718.111, F.S.; revising provisions relating to  
14          the association; amending s. 718.112, F.S.;  
15          revising provisions relating to bylaws;  
16          amending s. 718.113, F.S.; revising provisions  
17          relating to material alterations of common  
18          elements or association real property operated  
19          by a multicondominium association; amending s.  
20          718.115, F.S.; revising provisions relating to  
21          common expenses; amending s. 718.1255, F.S.,  
22          relating to alternative dispute resolution  
23          procedures; providing for the expedited  
24          handling of any allegation of an irregularity  
25          in the election of any director of the board of  
26          administration of a condominium; amending s.  
27          718.405, F.S.; revising provisions relating to  
28          multicondominiums and multicondominium  
29          associations; amending s. 718.503, F.S.;  
30          relating to disclosure requirements for the  
31          sale of certain condominiums; removing the

1 requirement that question and answer sheets be  
2 part of the closing documents; amending s.  
3 718.504, F.S.; revising provisions relating to  
4 the prospectus or offering circular; providing  
5 an effective date.  
6

7 Be It Enacted by the Legislature of the State of Florida:  
8

9 Section 1. Section 702.09, Florida Statutes, is  
10 amended to read:

11 702.09 Definitions.--For the purposes of ss. 702.07  
12 and 702.08 the words "decree of foreclosure" shall include a  
13 judgment or order rendered or passed in the foreclosure  
14 proceedings in which the decree of foreclosure shall be  
15 rescinded, vacated, and set aside; the word "mortgage" shall  
16 mean any written instrument securing the payment of money or  
17 advances and includes liens to secure payment of assessments  
18 arising under chapters 718, 719, and 720; the word "debt"  
19 shall include promissory notes, bonds, and all other written  
20 obligations given for the payment of money; the words  
21 "foreclosure proceedings" shall embrace every action in the  
22 circuit or county courts of this state wherein it is sought to  
23 foreclose a mortgage and sell the property covered by the  
24 same; and the word "property" shall mean and include both real  
25 and personal property.

26 Section 2. Paragraph (h) of subsection (4) and  
27 subsection (5) of section 718.104, Florida Statutes, are  
28 amended to read:

29 718.104 Creation of condominiums; contents of  
30 declaration.--Every condominium created in this state shall be  
31 created pursuant to this chapter.

1           (4) The declaration must contain or provide for the  
2 following matters:

3           (h) If a developer reserves the right, in a  
4 declaration recorded on or after July 1, 2000, to create a  
5 multicondominium, the declaration must state, or provide a  
6 specific formula for determining, the fractional or percentage  
7 shares of liability for the common expenses of the association  
8 and of ownership of the common surplus of the association to  
9 be allocated to the units in each condominium to be operated  
10 by the association. If a the declaration recorded on or after  
11 July 1, 2000, for a condominium operated by a multicondominium  
12 association as originally recorded fails to so provide, the  
13 share of liability for the common expenses of the association  
14 and of ownership of the common surplus of the association  
15 allocated to each unit in each condominium operated by the  
16 association shall be a fraction of the whole, the numerator of  
17 which is the number "one" and the denominator of which is the  
18 total number of units in all condominiums operated by the  
19 association.

20           (5) The declaration as originally recorded or as  
21 amended under the procedures provided therein may include  
22 covenants and restrictions concerning the use, occupancy, and  
23 transfer of the units permitted by law with reference to real  
24 property. With the exception of amendments that materially  
25 modify unit appurtenances as provided in s. 718.110(4),  
26 properly adopted amendments may be applied to owners of units  
27 existing as of the effective date of the amendment, including  
28 those who did not consent to the amendment. This section is  
29 intended to clarify existing law and applies to associations  
30 existing on the effective date of this act. However, the rule  
31 against perpetuities shall not defeat a right given any person

1 or entity by the declaration for the purpose of allowing unit  
2 owners to retain reasonable control over the use, occupancy,  
3 and transfer of units.

4 Section 3. Paragraph (b) of subsection (2) of section  
5 718.106, Florida Statutes, is amended to read:

6 718.106 Condominium parcels; appurtenances; possession  
7 and enjoyment.--

8 (2) There shall pass with a unit, as appurtenances  
9 thereto:

10 (b) The exclusive right to use such portion of the  
11 common elements as may be provided by the declaration,  
12 including the right to transfer such right to other units or  
13 unit owners to the extent authorized by the declaration as  
14 originally recorded, or amendments to the declaration adopted  
15 pursuant to the provisions contained therein ~~under s.~~  
16 718.110(2). Amendments to declarations of condominium  
17 providing for the transfer of use rights with respect to  
18 limited common elements are not amendments that materially  
19 modify unit appurtenances as described in s. 718.110(4).  
20 However, in order to be effective, the transfer of use rights  
21 with respect to limited common elements must be effectuated in  
22 conformity with the procedures set forth in the declaration as  
23 originally recorded or as amended under the procedures  
24 provided therein. The transfers must be evidenced by a written  
25 instrument that is executed with the formalities of a deed and  
26 recorded in the land records of the county in which the  
27 condominium is located in order to be effective. The  
28 instrument of transfer must also specify the legal description  
29 of the unit that is transferring use rights, as well as the  
30 legal description of the unit obtaining the transfer of those  
31 rights. Any first mortgagee with respect to both the unit that

1 is transferring the use rights and the unit that is receiving  
2 the transfer of use rights must also consent to the transfer,  
3 evidence of which must be recorded with the instruments of  
4 transfer. This section is intended to clarify existing law and  
5 applies to associations existing on the effective date of this  
6 act.

7 Section 4. Subsection (4) of section 718.110, Florida  
8 Statutes, is amended to read:

9 718.110 Amendment of declaration; correction of error  
10 or omission in declaration by circuit court.--

11 (4) Unless otherwise provided in the declaration as  
12 originally recorded, no amendment may change the configuration  
13 or size of any unit in any material fashion, materially alter  
14 or modify the appurtenances to the unit, or change the  
15 proportion or percentage by which the unit owner shares the  
16 common expenses of the condominium and owns the common surplus  
17 of the condominium unless the record owner of the unit and all  
18 record owners of liens on the unit join in the execution of  
19 the amendment and unless all the record owners of all other  
20 units in the same condominium approve the amendment. The  
21 acquisition of property by the association, and material  
22 alterations or substantial additions to such property or the  
23 common elements by the association in accordance with s.  
24 718.111(7) or s. 718.113, amendments providing for the  
25 transfer of use rights in limited common elements pursuant to  
26 s. 718.106(2)(b), and amendments restricting or modifying the  
27 right to lease condominium units shall not be deemed to  
28 constitute a material alteration or modification of the  
29 appurtenances to the units. With the exception of properly  
30 adopted amendments that materially modify unit appurtenances  
31 as provided in this section, amendments may be applied to all

1 owners of units existing as of the effective date of the  
2 amendment, including those who did not consent to the  
3 amendment. This section is intended to clarify existing law  
4 and applies to associations existing on the effective date of  
5 this act.A declaration recorded after April 1, 1992, may not  
6 require the approval of less than a majority of total voting  
7 interests of the condominium for amendments under this  
8 subsection, unless otherwise required by a governmental  
9 entity.

10 Section 5. Subsection (4), paragraph (a) of subsection  
11 (7), and subsection (13) of section 718.111, Florida Statutes,  
12 are amended to read:

13 718.111 The association.--

14 (4) ASSESSMENTS; MANAGEMENT OF COMMON ELEMENTS.--The  
15 association has the power to make and collect assessments and  
16 to lease, maintain, repair, and replace the common elements or  
17 association property; however, the association may not charge  
18 a use fee against a unit owner for the use of common elements  
19 or association property unless otherwise provided for in the  
20 declaration of condominium or by a majority vote of the  
21 association or unless the charges relate to ~~expenses incurred~~  
22 ~~by~~ an owner having exclusive use of the common elements or  
23 association property.

24 (7) TITLE TO PROPERTY.--

25 (a) The association has the power to acquire title to  
26 property or otherwise hold, convey, lease, and mortgage  
27 association property for the use and benefit of its members.  
28 The power to acquire personal property shall be exercised by  
29 the board of administration. Except as otherwise permitted in  
30 subsections (8) and (9) and in s. 718.114, no association may  
31 acquire, convey, ~~lease~~, or mortgage association real property

1 | except in the manner provided in the declaration, and if the  
2 | declaration does not specify the procedure, then approval of  
3 | 75 percent of the total voting interests shall be required.

4 |       (13) FINANCIAL REPORTING.--Within 90 days after the  
5 | end of the fiscal year, or annually on a date provided in the  
6 | bylaws, the association shall prepare and complete, or  
7 | contract for the preparation and completion of ~~or cause to be~~  
8 | ~~prepared and completed by a third party~~, a financial report  
9 | for the preceding fiscal year. Within 21 days after the final  
10 | financial report is completed by the association or received  
11 | ~~by the association~~ from the third party, but not later than  
12 | 120 days after the end of the fiscal year or other date as  
13 | provided in the bylaws, the association shall mail to each  
14 | unit owner at the address last furnished to the association by  
15 | the unit owner, or hand deliver to each unit owner, a copy of  
16 | the financial report or a notice that a copy of the financial  
17 | report will be mailed or hand delivered to the unit owner,  
18 | without charge, upon receipt of a written request from the  
19 | unit owner. The division shall adopt rules setting forth  
20 | uniform accounting principles and standards to be used by all  
21 | associations and shall adopt rules addressing financial  
22 | reporting requirements for multicondominium associations. In  
23 | adopting such rules, the division shall consider the number of  
24 | members and annual revenues of an association. Financial  
25 | reports shall be prepared as follows:

26 |       (a) An association that meets the criteria of this  
27 | paragraph shall prepare or cause to be prepared a complete set  
28 | of financial statements in accordance with generally accepted  
29 | accounting principles. The financial statements shall be  
30 | based upon the association's total annual revenues, as  
31 | follows:

1           1. An association with total annual revenues of  
2 \$100,000 or more, but less than \$200,000, shall prepare  
3 compiled financial statements.

4           2. An association with total annual revenues of at  
5 least \$200,000, but less than \$400,000, shall prepare reviewed  
6 financial statements.

7           3. An association with total annual revenues of  
8 \$400,000 or more shall prepare audited financial statements.

9           (b)1. An association with total annual revenues of  
10 less than \$100,000 shall prepare a report of cash receipts and  
11 expenditures.

12           2. An association which operates less than 50 units,  
13 regardless of the association's annual revenues, shall prepare  
14 a report of cash receipts and expenditures in lieu of  
15 financial statements required by paragraph (a).

16           3. A report of cash receipts and disbursements must  
17 disclose the amount of receipts by accounts and receipt  
18 classifications and the amount of expenses by accounts and  
19 expense classifications, including, but not limited to, the  
20 following, as applicable: costs for security, professional and  
21 management fees and expenses, taxes, costs for recreation  
22 facilities, expenses for refuse collection and utility  
23 services, expenses for lawn care, costs for building  
24 maintenance and repair, insurance costs, administration and  
25 salary expenses, and reserves accumulated and expended for  
26 capital expenditures, deferred maintenance, and any other  
27 category for which the association maintains reserves.

28           (c) An association may prepare or cause to be  
29 prepared, without a meeting of or approval by the unit owners:

30  
31



1           1. Compiled, reviewed, or audited financial  
2 statements, if the association is required to prepare a report  
3 of cash receipts and expenditures;

4           2. Reviewed or audited financial statements, if the  
5 association is required to prepare compiled financial  
6 statements; or

7           3. Audited financial statements if the association is  
8 required to prepare reviewed financial statements.

9           (d) If approved by a majority of the voting interests  
10 present at a properly called meeting of the association, an  
11 association may prepare or cause to be prepared:

12           1. A report of cash receipts and expenditures in lieu  
13 of a compiled, reviewed, or audited financial statement;

14           2. A report of cash receipts and expenditures or a  
15 compiled financial statement in lieu of a reviewed or audited  
16 financial statement; or

17           3. A report of cash receipts and expenditures, a  
18 compiled financial statement, or a reviewed financial  
19 statement in lieu of an audited financial statement.

20  
21 Such meeting and approval must occur prior to the end of the  
22 fiscal year and is effective only for the fiscal year in which  
23 the vote is taken. With respect to an association to which the  
24 developer has not turned over control of the association, all  
25 unit owners, including the developer, may vote on issues  
26 related to the preparation of financial reports for the first  
27 2 fiscal years of the association's operation, beginning with  
28 the fiscal year in which the declaration is recorded.  
29 Thereafter, all unit owners except the developer may vote on  
30 such issues until control is turned over to the association by  
31 the developer.

1           Section 6. Subsection (3) of section 718.112, Florida  
2 Statutes, is amended to read:

3           718.112 Bylaws.--

4           (3) OPTIONAL PROVISIONS.--The bylaws as originally  
5 recorded or as amended under the procedures provided therein  
6 may provide for the following:

7           (a) A method of adopting and amending administrative  
8 rules and regulations governing the details of the operation  
9 and use of the common elements.

10           (b) Restrictions on and requirements for the use,  
11 maintenance, and appearance of the units and the use of the  
12 common elements.

13           (c) Other provisions which are not inconsistent with  
14 this chapter or with the declaration, as may be desired. With  
15 the exception of properly adopted amendments that materially  
16 modify unit appurtenances as provided in this section,  
17 amendments may be applied to all owners of units existing as  
18 of the effective date of the amendment, including those who  
19 did not consent to the amendment. This subsection is intended  
20 to clarify existing law and applies to associations existing  
21 on the effective date of this act.

22           Section 7. Subsection (2) of section 718,113, Florida  
23 Statutes, is amended to read:

24           718.113 Maintenance; limitation upon improvement;  
25 display of flag; hurricane shutters.--

26           (2)(a) Except as otherwise provided in this section,  
27 there shall be no material alteration or substantial additions  
28 to the common elements or to real property which is  
29 association property, except in a manner provided in the  
30 declaration as originally recorded or as amended under the  
31 procedures provided therein. If the declaration as originally

1 recorded or as amended under the procedures provided therein  
2 does not specify the procedure for approval of material  
3 alterations or substantial additions, 75 percent of the total  
4 voting interests of the association must approve the  
5 alterations or additions.

6 (b) There shall not be any material alteration of, or  
7 substantial addition to, the common elements of any  
8 condominium operated by a multicondominium association unless  
9 approved in the manner provided in the declaration of the  
10 affected condominium or condominiums as originally recorded or  
11 as amended under the procedures provided therein. If a  
12 declaration as originally recorded or as amended under the  
13 procedures provided therein does not specify a procedure for  
14 approving such an alteration or addition, the approval of 75  
15 percent of the total voting interests of each affected  
16 condominium is required. This subsection does not prohibit a  
17 provision in any declaration, articles of incorporation, or  
18 bylaws as originally recorded or as amended under the  
19 procedures provided therein requiring the approval of unit  
20 owners in any condominium operated by the same association or  
21 requiring board approval before a material alteration or  
22 substantial addition to the common elements is permitted. This  
23 paragraph is intended to clarify existing law and applies to  
24 associations existing on the effective date of this act.

25 (c) There shall not be any material alteration or  
26 substantial addition made to association real property  
27 operated by a multicondominium association, except as provided  
28 in the declaration, articles of incorporation, or bylaws as  
29 originally recorded or as amended under the procedures  
30 provided therein. If the declaration, articles of  
31 incorporation, or bylaws as originally recorded or as amended

1 under the procedures provided therein do not specify the  
2 procedure for approving an alteration or addition to  
3 association real property, the approval of 75 percent of the  
4 total voting interests of the association is required. This  
5 paragraph is intended to clarify existing law and applies to  
6 associations existing on the effective date of this act.

7 Section 8. Paragraphs (b) and (c) of subsection (1) of  
8 section 718.115, Florida Statutes, are amended to read:

9 718.115 Common expenses and common surplus.--

10 (1)

11 (b) The common expenses of a condominium within a  
12 multicondominium are the common expenses directly attributable  
13 to the operation of that condominium. The common expenses of a  
14 multicondominium association do not include the common  
15 expenses directly attributable to the operation of any  
16 specific condominium or condominiums within the  
17 multicondominium. This paragraph is intended to clarify  
18 existing law and applies to associations existing on the  
19 effective date of this act.

20 (c) The common expenses of a multicondominium  
21 association may include categories of expenses related to the  
22 property or common elements within a specific condominium in  
23 the multicondominium if such property or common elements are  
24 areas in which all members of the multicondominium association  
25 have use rights or from which all members receive tangible  
26 economic benefits. Such common expenses of the association  
27 shall be identified in the declaration or bylaws as originally  
28 recorded or as amended under the procedures provided therein  
29 of each condominium within the multicondominium association.  
30 This paragraph is intended to clarify existing law and applies  
31 to associations existing on the effective date of this act.

1           Section 9. Subsection (5) is added to section  
2 718.1255, Florida Statutes, to read:

3           718.1255 Alternative dispute resolution; voluntary  
4 mediation; mandatory nonbinding arbitration; legislative  
5 findings.--

6           (5) DISPUTES INVOLVING ELECTION IRREGULARITIES.--Every  
7 arbitration petition received by the division and required to  
8 be filed under this section challenging the legality of the  
9 election of any director of the board of administration must  
10 be handled on an expedited basis in the manner provided by the  
11 division's rules for recall arbitration disputes.

12           Section 10. Subsections (1) and (4) of section  
13 718.405, Florida Statutes, are amended to read:

14           718.405 Multicondominiums; multicondominium  
15 associations.--

16           (1) An association may operate more than one  
17 condominium. For multicondominiums created on or after July 1,  
18 2000, if the declaration for each condominium to be operated  
19 by that association ~~must provide~~ ~~provides~~ for participation in  
20 a multicondominium, in conformity with this section, and  
21 ~~disclose~~ ~~discloses~~ or ~~describe~~ ~~describes~~:

22           (a) The manner or formula by which the assets,  
23 liabilities, common surplus, and common expenses of the  
24 association will be apportioned among the units within the  
25 condominiums operated by the association, in accordance with  
26 s. 718.104(4)(g) or (h), as applicable.

27           (b) Whether unit owners in any other condominium, or  
28 any other persons, will or may have the right to use  
29 recreational areas or any other facilities or amenities that  
30 are common elements of the condominium, and, if so, the  
31

1 specific formula by which the other users will share the  
2 common expenses related to those facilities or amenities.

3 (c) Recreational and other commonly used facilities or  
4 amenities which the developer has committed to provide that  
5 will be owned, leased by, or dedicated by a recorded plat to  
6 the association but which are not included within any  
7 condominium operated by the association. The developer may  
8 reserve the right to add additional facilities or amenities if  
9 the declaration and prospectus for each condominium to be  
10 operated by the association contains the following statement  
11 in conspicuous type and in substantially the following form:  
12 RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT  
13 CONSENT OF UNIT OWNERS OR THE ASSOCIATION.

14 (d) The voting rights of the unit owners in the  
15 election of directors and in other multicondominium  
16 association affairs when a vote of the owners is taken,  
17 including, but not limited to, a statement as to whether each  
18 unit owner will have a right to personally cast his or her own  
19 vote in all matters voted upon.

20 (4) This section does not prevent or restrict the  
21 formation of a multicondominium by the merger or consolidation  
22 of two or more condominium associations. Mergers or  
23 consolidations of associations shall be accomplished in  
24 accordance with this chapter, the declarations of the  
25 condominiums being merged or consolidated, and chapter 617.  
26 Section 718.110(4) does not apply to amendments to  
27 declarations necessary to effect a merger or consolidation.  
28 This section is intended to clarify existing law and applies  
29 to associations existing on the effective date of this act.

30 Section 11. Subsection (2) of section 718.503, Florida  
31 Statutes, is amended to read:

1           718.503 Developer disclosure prior to sale;  
2 nondeveloper unit owner disclosure prior to sale;  
3 voidability.--

4           (2) NONDEVELOPER DISCLOSURE.--

5           (a) Each unit owner who is not a developer as defined  
6 by this chapter shall comply with the provisions of this  
7 subsection prior to the sale of his or her unit. Each  
8 prospective purchaser who has entered into a contract for the  
9 purchase of a condominium unit is entitled, at the seller's  
10 expense, to a current copy of the declaration of condominium,  
11 articles of incorporation of the association, bylaws, and  
12 rules of the association, ~~as well as a copy of the question~~  
13 ~~and answer sheet provided for by s. 718.504~~ and a copy of the  
14 financial information required by s. 718.111.

15           (b) If a person licensed under part I of chapter 475  
16 provides to or otherwise obtains for a prospective purchaser  
17 the documents described in this subsection, the person is not  
18 liable for any error or inaccuracy contained in the documents.

19           (c) Each contract entered into after July 1, 1992, for  
20 the resale of a residential unit shall contain in conspicuous  
21 type either:

22           1. A clause which states: THE BUYER HEREBY  
23 ACKNOWLEDGES THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF  
24 THE DECLARATION OF CONDOMINIUM, ARTICLES OF INCORPORATION OF  
25 THE ASSOCIATION, BYLAWS, RULES OF THE ASSOCIATION, AND A COPY  
26 OF THE MOST RECENT YEAR-END FINANCIAL INFORMATION ~~AND THE~~  
27 ~~QUESTION AND ANSWER SHEET~~ MORE THAN 3 DAYS, EXCLUDING  
28 SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO EXECUTION OF  
29 THIS CONTRACT; or

30           2. A clause which states: THIS AGREEMENT IS VOIDABLE  
31 BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION

1 TO CANCEL WITHIN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND  
2 LEGAL HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT  
3 BY THE BUYER AND RECEIPT BY BUYER OF A CURRENT COPY OF THE  
4 DECLARATION OF CONDOMINIUM, ARTICLES OF INCORPORATION, BYLAWS,  
5 ~~AND~~ AND RULES OF THE ASSOCIATION, AND A COPY OF THE MOST RECENT  
6 YEAR-END FINANCIAL INFORMATION ~~AND QUESTION AND ANSWER SHEET~~  
7 IF SO REQUESTED IN WRITING. ANY PURPORTED WAIVER OF THESE  
8 VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND THE  
9 TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 3 DAYS,  
10 EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER THE  
11 BUYER RECEIVES THE DECLARATION, ARTICLES OF INCORPORATION,  
12 BYLAWS, AND ~~RULES, AND QUESTION AND ANSWER SHEET~~ IF REQUESTED  
13 IN WRITING. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL  
14 TERMINATE AT CLOSING.

15

16 A contract that does not conform to the requirements of this  
17 paragraph is voidable at the option of the purchaser prior to  
18 closing.

19 Section 12. Subsection (15) of section 718.504,  
20 Florida Statutes, is amended to read:

21 718.504 Prospectus or offering circular.--Every  
22 developer of a residential condominium which contains more  
23 than 20 residential units, or which is part of a group of  
24 residential condominiums which will be served by property to  
25 be used in common by unit owners of more than 20 residential  
26 units, shall prepare a prospectus or offering circular and  
27 file it with the Division of Florida Land Sales, Condominiums,  
28 and Mobile Homes prior to entering into an enforceable  
29 contract of purchase and sale of any unit or lease of a unit  
30 for more than 5 years and shall furnish a copy of the  
31 prospectus or offering circular to each buyer. In addition to



1 the prospectus or offering circular, each buyer shall be  
2 furnished a separate page entitled "Frequently Asked Questions  
3 and Answers," which shall be in accordance with a format  
4 approved by the division and a copy of the financial  
5 information required by s. 718.111. This page shall, in  
6 readable language, inform prospective purchasers regarding  
7 their voting rights and unit use restrictions, including  
8 restrictions on the leasing of a unit; shall indicate whether  
9 and in what amount the unit owners or the association is  
10 obligated to pay rent or land use fees for recreational or  
11 other commonly used facilities; shall contain a statement  
12 identifying that amount of assessment which, pursuant to the  
13 budget, would be levied upon each unit type, exclusive of any  
14 special assessments, and which shall further identify the  
15 basis upon which assessments are levied, whether monthly,  
16 quarterly, or otherwise; shall state and identify any court  
17 cases in which the association is currently a party of record  
18 in which the association may face liability in excess of  
19 \$100,000; and which shall further state whether membership in  
20 a recreational facilities association is mandatory, and if so,  
21 shall identify the fees currently charged per unit type. The  
22 division shall by rule require such other disclosure as in its  
23 judgment will assist prospective purchasers. The prospectus or  
24 offering circular may include more than one condominium,  
25 although not all such units are being offered for sale as of  
26 the date of the prospectus or offering circular. The  
27 prospectus or offering circular must contain the following  
28 information:

29 (15) If ~~a~~ the condominium created on or after July 1,  
30 2000, is or may become part of a multicondominium, the  
31 following information must be provided:

1           (a) A statement in conspicuous type in substantially  
2 the following form: THIS CONDOMINIUM IS (MAY BE) PART OF A  
3 MULTICONDOMINIUM DEVELOPMENT IN WHICH OTHER CONDOMINIUMS WILL  
4 (MAY) BE OPERATED BY THE SAME ASSOCIATION. Immediately  
5 following this statement, the location in the prospectus or  
6 offering circular and its exhibits where the multicondominium  
7 aspects of the offering are described must be stated.

8           (b) A summary of the provisions in the declaration,  
9 articles of incorporation, and bylaws which establish and  
10 provide for the operation of the multicondominium, including a  
11 statement as to whether unit owners in the condominium will  
12 have the right to use recreational or other facilities located  
13 or planned to be located in other condominiums operated by the  
14 same association, and the manner of sharing the common  
15 expenses related to such facilities.

16           (c) A statement of the minimum and maximum number of  
17 condominiums, and the minimum and maximum number of units in  
18 each of those condominiums, which will or may be operated by  
19 the association, and the latest date by which the exact number  
20 will be finally determined.

21           (d) A statement as to whether any of the condominiums  
22 in the multicondominium may include units intended to be used  
23 for nonresidential purposes and the purpose or purposes  
24 permitted for such use.

25           (e) A general description of the location and  
26 approximate acreage of any land on which any additional  
27 condominiums to be operated by the association may be located.

28           Section 13. This act shall take effect July 1, 2002.  
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SENATE SUMMARY

Revises provisions relating to: declarations for the creation of a condominium; appurtenances that pass with a condominium unit; amendments to a declaration of condominium; financial management of an association; bylaws; property operated by a multicondominium association; common expenses; handling allegations of irregularity in an election of a director of the board of administration of a condominium; removing the requirement for question and answer sheets in closing documents; and the prospectus or offering circular. (See bill for details.)