

By Representative Weissman

1 A bill to be entitled
 2 An act relating to condominiums; creating ss.
 3 718.701, 718.702, 718.703, and 718.704, F.S.;
 4 providing definitions with respect to master
 5 condominium associations; providing for
 6 meetings and official records with respect to
 7 master condominium associations; providing for
 8 the powers and duties of the Division of
 9 Florida Land Sales, Condominiums, and Mobile
 10 Homes over master condominium associations;
 11 providing for financial reporting; providing an
 12 effective date.

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

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 16 Section 1. Part VII of chapter 718, Florida Statutes,
 17 consisting of sections 718.701, 718.702, 718.703, and 718.704,
 18 Florida Statutes, is created to read:

19 PART VII

20 MASTER CONDOMINIUM ASSOCIATIONS

21 718.701 Definitions.--As used in this part, the term:
 22 (1) "Master condominium association" means any entity
 23 that is not covered under the definition of "association" in
 24 s. 718.103(2) but that has been granted or assigned by such an
 25 association control or decisionmaking authority over real
 26 property or facilities of a condominium association that would
 27 otherwise be controlled by that condominium association under
 28 its governing documents, and that receives moneys funded by
 29 mandatory dues or assessments paid by condominium unit owners,
 30 whether or not the master condominium association has a
 31 governing body that includes representatives of the

1 condominium association. This term does not include an entity
2 that is granted management or maintenance responsibility under
3 a mere service contract with a single condominium association.

4 (2) "Member" means a member of the master condominium
5 association as designated by the master condominium
6 association documents.

7 (3) "Affected owner" means a condominium unit owner
8 who has use rights in the common property or facilities
9 administered by the master condominium association.

10 (4) "Master condominium association documents" means
11 any declaration of covenants and restrictions, or other
12 organizational document, that governs the property
13 administered by, the bylaws of, and the articles of
14 incorporation of the master condominium association, and any
15 amendments to each of the foregoing.

16 718.702 Master condominium association meetings;
17 official records.--

18 (1) BOARD, COMMITTEE, AND MEMBERSHIP MEETINGS.--

19 (a) Meetings of the master condominium association
20 board at which at least a quorum of the members of the board
21 is present shall be open to the members of the master
22 condominium association as well as to affected owners.
23 Meetings between the board or a committee and the master
24 condominium association attorney with respect to proposed or
25 pending litigation or the rendering or seeking of legal advice
26 shall not be open to the membership of the master condominium
27 association, and notice to the membership of such meetings is
28 not required.

29 (b) Adequate notice of all meetings, which notice
30 shall specifically incorporate an identification of agenda
31 items, shall be given by the condominium association covered

1 under the definition in s. 718.103(2) in the same form and
2 manner as notices of board of director meetings of the
3 condominium association to which the affected unit owners
4 belong. Any item not included on the notice may be taken up on
5 an emergency basis by at least a majority plus one of the
6 members of the board. Such emergency action shall be noticed
7 and ratified at the next regular meeting of the board.
8 However, written notice of any meeting at which nonemergency
9 special assessments, or at which an amendment or amendments to
10 the rules regarding unit use, will be considered shall be
11 mailed or delivered to the members and affected owners and
12 posted conspicuously on the condominium association property
13 not less than 14 days prior to the meeting. Evidence of
14 compliance with this 14-day notice shall be made by affidavit
15 executed by the person providing the notice and maintained
16 among the official records of the condominium association.

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

22 (2) OFFICIAL RECORDS.--The provisions of s.
23 718.111(12) apply to master condominium associations, except
24 that references to unit owners contained in s. 718.111(12)
25 shall be deemed to refer to members and affected owners, and
26 references to any of the condominium documents shall be deemed
27 to refer to the master condominium association documents.

28 718.703 Powers and duties of Division of Florida Land
29 Sales, Condominiums, and Mobile Homes over master condominium
30 associations.--

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1 (1) The division's authority to ensure and enforce
2 compliance with the provisions of this part and the rules
3 promulgated thereunder, and its authority to institute
4 enforcement proceedings against master condominium
5 associations pursuant to chapter 120, shall be as set forth in
6 s. 718.501.

7 (2) Upon demand by the division, any condominium
8 association shall notify the division of any master
9 condominium association with which it is associated that is
10 pertinent to any inquiry or investigation by the division
11 regarding the rights of individual unit owners in this part
12 and shall provide copies of documents that establish and
13 govern the relationship between the condominium association
14 and the master condominium association.

15 718.704 Financial reporting.--

16 (1) For the purposes of this section, the term
17 "revenues" includes all regular or special assessments for
18 reserves or operating or other expenses, and all other sources
19 of revenue including, but not limited to, interest, user fees,
20 developer subsidies, litigation proceeds, and insurance
21 proceeds.

22 (2) When the total annual revenue of the master
23 condominium association is \$100,000 or less, the condominium
24 association covered under the definition in s. 718.103(2)
25 shall, at a minimum, obtain from the master condominium
26 association a complete cash-basis financial report of actual
27 receipts and expenditures for the prior fiscal year for
28 inclusion in the condominium association's records.

29 (3) When the total annual revenue of the master
30 condominium association exceeds \$100,000, the condominium
31 association shall prepare a complete set of financial

1 statements in accordance with generally accepted accounting
2 principles as follows:

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

9 (b) When the total annual revenue of the master
10 condominium association is at least \$200,000 but less than
11 \$400,000, the condominium association shall, at a minimum,
12 obtain from the master condominium association reviewed
13 financial statements for inclusion in the condominium
14 association's records.

15 (c) When the total annual revenue of the master
16 condominium association is \$400,000 or more, the condominium
17 association shall, at a minimum, obtain from the master
18 condominium association audited financial statements for
19 inclusion in the condominium association's records.

20 (4) Master condominium associations are not precluded
21 from exceeding the reporting requirements set forth in this
22 section.

23 (5) The condominium association covered under the
24 definition in s. 718.103(2) shall obtain the financial report
25 required under subsection (2) or the financial statements
26 required under subsection (3) within 90 days following the end
27 of the fiscal year to which the report or statements relate.
28 The condominium association shall make the report or
29 statements available to condominium unit owners in the same
30 manner and form as required for its own financial records

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1 under its governing documents, but in no event later than 14
2 days after its receipt of such report or statements.

3 (6) The provisions of this part are not intended to
4 reduce or limit public records or disclosure requirements of a
5 master condominium association or condominium association
6 under their governing documents or under any other provision
7 of law.

8 Section 2. This act shall take effect July 1, 2002.

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11 HOUSE SUMMARY

12 Defines the term "master condominium association" to mean
13 any entity that is not covered under the definition of
14 "association" in s. 718.103, F.S., but that has been
15 granted or assigned by such an association control or
16 decisionmaking authority over real property or facilities
17 of a condominium association that would otherwise be
18 controlled by that condominium association under its
19 governing documents, and that receives moneys funded by
20 mandatory dues or assessments paid by condominium unit
21 owners, whether or not the master condominium association
22 has a governing body that includes representatives of the
23 condominium association. Provides that the term does not
24 include an entity that is granted management or
25 maintenance responsibility under a mere service contract
26 with a single condominium association. Provides for the
27 regulation of such master condominium associations. See
28 bill for details.
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