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1 CHAMBER ACTION

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6 The Committee on Commerce recommends the following:7
8 **Committee Substitute**

9 Remove the entire bill and insert:

10 A bill to be entitled

11 An act relating to corporate affairs; amending s.
12 617.01401, F.S.; defining the term "electronic
13 transmission" for purposes of the Florida Not For Profit
14 Corporation Act; amending s. 617.0141, F.S.; authorizing
15 forms of electronic transmission of notice for domestic or
16 foreign corporations; providing for a corporation member
17 to revoke consent to receiving notice by electronic
18 transmission; providing that an affidavit of notice by
19 electronic transmission is, in the absence of fraud, prima
20 facie evidence of the facts stated in the notice; amending
21 ss. 718.111 and 718.112, F.S.; providing for a condominium
22 association to transmit electronic notices to unit owners;
23 providing that the association is not liable for
24 accidentally or inadvertently disclosing certain address
25 information; revising requirements for use of proxies for
26 voting; authorizing the association to broadcast notice
27 via a closed-circuit television system; prohibiting notice
28 by electronic transmission for a recall of board members;



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29 providing for association bylaws to authorize the
30 electronic transmission of notices; amending s. 718.116,
31 F.S.; providing that a described fee may be charged for
32 preparation of a certificate stating certain amounts owed;
33 amending ss. 719.104 and 719.106, F.S.; providing for a
34 cooperative association to transmit electronic notices to
35 unit owners; providing that the association is not liable
36 for accidentally or inadvertently disclosing certain
37 address information; revising requirements for use of
38 proxies for voting; authorizing the association to
39 broadcast notice via a closed-circuit television system;
40 prohibiting notice by electronic transmission for a recall
41 of board members; providing for association bylaws to
42 authorize the electronic transmission of notices; amending
43 s. 719.108, F.S.; providing that a described fee may be
44 charged for preparation of a certificate stating certain
45 amounts owed; amending s. 720.302, F.S.; clarifying that
46 corporations not for profit that operate residential
47 homeowners' associations are subject to the Florida Not
48 For Profit Corporation Act; amending s. 720.303, F.S.;
49 authorizing a homeowners' association to broadcast notice
50 via a closed-circuit television system; providing that the
51 association is not liable for accidentally or
52 inadvertently disclosing certain address information;
53 providing an effective date.

54
55 Be It Enacted by the Legislature of the State of Florida:
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57 Section 1. Section 617.01401, Florida Statutes, is amended
58 to read:

59 617.01401 Definitions.--As used in this act, unless the
60 context otherwise requires, the term:

61 (1) "Articles of incorporation" includes original,
62 amended, and restated articles of incorporation, articles of
63 consolidation, and articles of merger, and all amendments
64 thereto, including documents designated by the laws of this
65 state as charters, and, in the case of a foreign corporation,
66 documents equivalent to articles of incorporation in the
67 jurisdiction of incorporation.

68 (2) "Board of directors" means the group of persons vested
69 with the management of the affairs of the corporation
70 irrespective of the name by which such group is designated,
71 including, but not limited to, managers or trustees.

72 (3) "Bylaws" means the code or codes of rules adopted for
73 the regulation or management of the affairs of the corporation
74 irrespective of the name or names by which such rules are
75 designated.

76 (4) "Corporation" or "domestic corporation" means a
77 corporation not for profit, subject to the provisions of this
78 act, except a foreign corporation.

79 (5) "Corporation not for profit" means a corporation no
80 part of the income or profit of which is distributable to its
81 members, directors, or officers.

82 (6) "Electronic transmission" means any form of
83 communication, not directly involving the physical transmission
84 or transfer of paper, which creates a record that may be



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85 retained, retrieved, and reviewed by a recipient thereof and
86 which may be directly reproduced in a comprehensible and legible
87 paper form by such recipient through an automated process.
88 Examples of electronic transmission include, but are not limited
89 to, telegrams, facsimile transmissions of images, and text that
90 is sent via electronic mail between computers.

91 (7)~~(6)~~ "Foreign corporation" means a corporation not for
92 profit organized under laws other than the laws of this state.

93 (8)~~(7)~~ "Insolvent" means the inability of a corporation to
94 pay its debts as they become due in the usual course of its
95 affairs.

96 (9)~~(8)~~ "Mail" means the United States mail, facsimile
97 transmissions, and private mail carriers handling nationwide
98 mail services.

99 (10)~~(9)~~ "Member" means one having membership rights in a
100 corporation in accordance with the provisions of its articles of
101 incorporation or bylaws or the provisions of this act.

102 (11)~~(10)~~ "Person" includes individual and entity.

103 Section 2. Section 617.0141, Florida Statutes, is amended
104 to read:

105 617.0141 Notice.--

106 (1) Notice under this act must be in writing, unless oral
107 notice is:

108 (a) Expressly authorized by the articles of incorporation
109 or the bylaws; and

110 (b) Reasonable under the circumstances.

111 (2) Notice may be communicated in person; by
112 telephone(where oral notice is permitted), telegraph, teletype,



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113 or other form of electronic transmission ~~communication~~; or by
114 mail.

115 (3) Written notice by a domestic or foreign corporation
116 authorized to conduct its affairs in this state to its member,
117 if in a comprehensible form, is effective:

118 (a) When mailed, if mailed postpaid and correctly
119 addressed to the member's address shown in the corporation's
120 current record of members;

121 (b) When actually transmitted by facsimile
122 telecommunication, if correctly directed to a number at which
123 the member has consented to receive notice;

124 (c) When actually transmitted by electronic mail, if
125 correctly directed to an electronic mail address at which the
126 member has consented to receive notice;

127 (d) When posted on an electronic network that the member
128 has consented to consult, upon the later of:

129 1. Such correct posting; or

130 2. The giving of a separate notice to the member of the
131 fact of such specific posting; or

132 (e) When correctly transmitted to the member, if by any
133 other form of electronic transmission consented to by the member
134 to whom notice is given.

135 (4) Consent by a member to receiving notice by electronic
136 transmission shall be revocable by the member by written notice
137 to the corporation. Any such consent shall be deemed revoked if:

138 (a) The corporation is unable to deliver by electronic
139 transmission two consecutive notices given by the corporation in
140 accordance with such consent; and



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141 (b) Such inability becomes known to the secretary or an
142 assistant secretary of the corporation, or other authorized
143 person responsible for the giving of notice. However, the
144 inadvertent failure to treat such inability as a revocation does
145 not invalidate any meeting or other action.

146 (5)~~(4)~~ Written notice to a domestic or foreign corporation
147 authorized to conduct its affairs in this state may be addressed
148 to its registered agent at its registered office or to the
149 corporation or its secretary at its principal office shown in
150 its most recent annual report or, in the case of a corporation
151 that has not yet delivered an annual report, in a domestic
152 corporation's articles of incorporation or in a foreign
153 corporation's application for certificate of authority.

154 (6)~~(5)~~ Except as provided in subsection (3) or elsewhere
155 in this act, written notice, if in a comprehensible form, is
156 effective at the earliest date of the following:

157 (a) When received;

158 (b) Five days after its deposit in the United States mail,
159 as evidenced by the postmark, if mailed postpaid and correctly
160 addressed; or

161 (c) On the date shown on the return receipt, if sent by
162 registered or certified mail, return receipt requested, and the
163 receipt is signed by or on behalf of the addressee.

164 (7)~~(6)~~ Oral notice is effective when communicated if
165 communicated directly to the person to be notified in a
166 comprehensible manner.

167 (8) An affidavit of the secretary, an assistant secretary,
168 the transfer agent, or other authorized agent of the corporation



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169 that the notice has been given by a form of electronic
170 transmission is, in the absence of fraud, prima facie evidence
171 of the facts stated in the notice.

172 ~~(9)(7)~~ If this act prescribes notice requirements for
173 particular circumstances, those requirements govern. If
174 articles of incorporation or bylaws prescribe notice
175 requirements not less stringent than the requirements of this
176 section or other provisions of this act, those requirements
177 govern.

178 Section 3. Paragraph (a) of subsection (12) of section
179 718.111, Florida Statutes, is amended to read:

180 718.111 The association.--

181 (12) OFFICIAL RECORDS.--

182 (a) From the inception of the association, the association
183 shall maintain each of the following items, when applicable,
184 which shall constitute the official records of the association:

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

187 2. A photocopy of the recorded declaration of condominium
188 of each condominium operated by the association and of each
189 amendment to each declaration.

190 3. A photocopy of the recorded bylaws of the association
191 and of each amendment to the bylaws.

192 4. A certified copy of the articles of incorporation of
193 the association, or other documents creating the association,
194 and of each amendment thereto.

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



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196 6. A book or books which contain the minutes of all
197 meetings of the association, of the board of directors, and of
198 unit owners, which minutes shall be retained for a period of not
199 less than 7 years.

200 7. A current roster of all unit owners and their postal
201 and electronic mailing addresses, unit identifications, voting
202 certifications, and, if known, telephone numbers. Upon the
203 request of the unit owner in writing, the electronic mail
204 address and the number designated by the unit owner for
205 receiving electronic transmission of notices shall not be
206 included in the official records of the association. However,
207 the association is not liable for an accidental or inadvertent
208 disclosure of the electronic mail address or the number for
209 receiving electronic transmission of notices unless such
210 disclosure is made in reckless disregard of the private nature
211 of the electronic mail address or the number.

212 8. All current insurance policies of the association and
213 condominiums operated by the association.

214 9. A current copy of any management agreement, lease, or
215 other contract to which the association is a party or under
216 which the association or the unit owners have an obligation or
217 responsibility.

218 10. Bills of sale or transfer for all property owned by
219 the association.

220 11. Accounting records for the association and separate
221 accounting records for each condominium which the association
222 operates. All accounting records shall be maintained for a



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223 | period of not less than 7 years. The accounting records shall
224 | include, but are not limited to:

225 | a. Accurate, itemized, and detailed records of all
226 | receipts and expenditures.

227 | b. A current account and a monthly, bimonthly, or
228 | quarterly statement of the account for each unit designating the
229 | name of the unit owner, the due date and amount of each
230 | assessment, the amount paid upon the account, and the balance
231 | due.

232 | c. All audits, reviews, accounting statements, and
233 | financial reports of the association or condominium.

234 | d. All contracts for work to be performed. Bids for work
235 | to be performed shall also be considered official records and
236 | shall be maintained for a period of 1 year.

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

241 | 13. All rental records, when the association is acting as
242 | agent for the rental of condominium units.

243 | 14. A copy of the current question and answer sheet as
244 | described by s. 718.504.

245 | 15. All other records of the association not specifically
246 | included in the foregoing which are related to the operation of
247 | the association.

248 | Section 4. Paragraphs (b), (c), (d), (e), and (j) of
249 | subsection(2) and subsection (3) of section 718.112, Florida
250 | Statutes, are amended to read:



251 718.112 Bylaws.--

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

255 (b) Quorum; voting requirements; proxies.--

256 1. Unless a lower number is provided in the bylaws, the
257 percentage of voting interests required to constitute a quorum
258 at a meeting of the members shall be a majority of the voting
259 interests. Unless otherwise provided in this chapter or in the
260 declaration, articles of incorporation, or bylaws, and except as
261 provided in subparagraph (d)3., decisions shall be made by
262 owners of a majority of the voting interests represented at a
263 meeting at which a quorum is present.

264 2. Except as specifically otherwise provided herein, after
265 January 1, 1992, unit owners may not vote by general proxy, but
266 may vote by limited proxies substantially conforming to a
267 limited proxy form adopted by the division. Limited proxies and
268 general proxies may be used to establish a quorum. Limited
269 proxies shall be used for votes taken to waive or reduce
270 reserves in accordance with subparagraph (f)2.; for votes taken
271 to waive the financial reporting requirements of s. 718.111(13);
272 for votes taken to amend the declaration pursuant to s. 718.110;
273 for votes taken to amend the articles of incorporation or bylaws
274 pursuant to this section; and for any other matter for which
275 this chapter requires or permits a vote of the unit owners.
276 Except as provided in paragraph (d), after January 1, 1992, no
277 proxy, limited or general, shall be used in the election of
278 board members. General proxies may be used for other matters for



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279 | which limited proxies are not required, and may also be used in
280 | voting for nonsubstantive changes to items for which a limited
281 | proxy is required and given. Notwithstanding the provisions of
282 | this subparagraph, unit owners may vote in person at unit owner
283 | meetings. Nothing contained herein shall limit the use of
284 | general proxies or require the use of limited proxies for any
285 | agenda item or election at any meeting of a timeshare
286 | condominium association.

287 | 3. Any proxy given shall be effective only for the
288 | specific meeting for which originally given and any lawfully
289 | adjourned meetings thereof. In no event shall any proxy be
290 | valid for a period longer than 90 days after the date of the
291 | first meeting for which it was given. Every proxy is revocable
292 | at any time at the pleasure of the unit owner executing it.

293 | 4. A member of the board of administration or a committee
294 | may submit in writing his or her agreement or disagreement with
295 | any action taken at a meeting that the member did not attend.
296 | This agreement or disagreement may not be used as a vote for or
297 | against the action taken and may not be used for the purposes of
298 | creating a quorum.

299 | 5. When any of the board or committee members meet by
300 | telephone conference, those board or committee members attending
301 | by telephone conference may be counted toward obtaining a quorum
302 | and may vote by telephone. A telephone speaker must be used so
303 | that the conversation of those board or committee members
304 | attending by telephone may be heard by the board or committee
305 | members attending in person as well as by any unit owners
306 | present at a meeting.



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307 (c) Board of administration meetings.--Meetings of the
308 board of administration at which a quorum of the members is
309 present shall be open to all unit owners. Any unit owner may
310 tape record or videotape meetings of the board of
311 administration. The right to attend such meetings includes the
312 right to speak at such meetings with reference to all designated
313 agenda items. The division shall adopt reasonable rules
314 governing the tape recording and videotaping of the meeting.
315 The association may adopt written reasonable rules governing the
316 frequency, duration, and manner of unit owner statements.
317 Adequate notice of all meetings, which notice shall specifically
318 incorporate an identification of agenda items, shall be posted
319 conspicuously on the condominium property at least 48 continuous
320 hours preceding the meeting except in an emergency. Any item
321 not included on the notice may be taken up on an emergency basis
322 by at least a majority plus one of the members of the board.
323 Such emergency action shall be noticed and ratified at the next
324 regular meeting of the board. However, written notice of any
325 meeting at which nonemergency special assessments, or at which
326 amendment to rules regarding unit use, will be considered shall
327 be mailed, ~~or delivered,~~ or electronically transmitted to the
328 unit owners and posted conspicuously on the condominium property
329 not less than 14 days prior to the meeting. Evidence of
330 compliance with this 14-day notice shall be made by an affidavit
331 executed by the person providing the notice and filed among the
332 official records of the association. Upon notice to the unit
333 owners, the board shall by duly adopted rule designate a
334 specific location on the condominium property or association



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335 property upon which all notices of board meetings shall be
336 posted. If there is no condominium property or association
337 property upon which notices can be posted, notices of board
338 meetings shall be mailed, ~~or delivered,~~ or electronically
339 transmitted at least 14 days before the meeting to the owner of
340 each unit. In lieu of or in addition to the physical posting of
341 notice of any meeting of the board of administration on the
342 condominium property, the association may, by reasonable rule,
343 adopt a procedure for conspicuously posting and repeatedly
344 broadcasting the notice and the agenda on a closed-circuit cable
345 television system serving the condominium association. However,
346 if broadcast notice is used in lieu of a notice posted
347 physically on the condominium property, the notice and agenda
348 must be broadcast at least four times every broadcast hour of
349 each day that a posted notice is otherwise required under this
350 section. When broadcast notice is provided, the notice and
351 agenda must be broadcast in a manner and for a sufficient
352 continuous length of time so as to allow an average reader to
353 observe the notice and read and comprehend the entire content of
354 the notice and the agenda. Notice of any meeting in which
355 regular assessments against unit owners are to be considered for
356 any reason shall specifically contain a statement that
357 assessments will be considered and the nature of any such
358 assessments. Meetings of a committee to take final action on
359 behalf of the board or make recommendations to the board
360 regarding the association budget are subject to the provisions
361 of this paragraph. Meetings of a committee that does not take
362 final action on behalf of the board or make recommendations to



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363 the board regarding the association budget are subject to the
364 provisions of this section, unless those meetings are exempted
365 from this section by the bylaws of the association.

366 Notwithstanding any other law, the requirement that board
367 meetings and committee meetings be open to the unit owners is
368 inapplicable to meetings between the board or a committee and
369 the association's attorney, with respect to proposed or pending
370 litigation, when the meeting is held for the purpose of seeking
371 or rendering legal advice.

372 (d) Unit owner meetings.--

373 1. There shall be an annual meeting of the unit owners.
374 Unless the bylaws provide otherwise, a vacancy on the board
375 caused by the expiration of a director's term shall be filled by
376 electing a new board member, and the election shall be by secret
377 ballot; however, if the number of vacancies equals or exceeds
378 the number of candidates, no election is required. If there is
379 no provision in the bylaws for terms of the members of the
380 board, the terms of all members of the board shall expire upon
381 the election of their successors at the annual meeting. Any unit
382 owner desiring to be a candidate for board membership shall
383 comply with subparagraph 3. A person who has been convicted of
384 any felony by any court of record in the United States and who
385 has not had his or her right to vote restored pursuant to law in
386 the jurisdiction of his or her residence is not eligible for
387 board membership. The validity of an action by the board is not
388 affected if it is later determined that a member of the board is
389 ineligible for board membership due to having been convicted of
390 a felony.



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391 2. The bylaws shall provide the method of calling meetings
392 of unit owners, including annual meetings. Written notice, which
393 notice must include an agenda, shall be mailed, ~~or~~ hand
394 delivered, or electronically transmitted to each unit owner at
395 least 14 days prior to the annual meeting and shall be posted in
396 a conspicuous place on the condominium property at least 14
397 continuous days preceding the annual meeting. Upon notice to the
398 unit owners, the board shall by duly adopted rule designate a
399 specific location on the condominium property or association
400 property upon which all notices of unit owner meetings shall be
401 posted; however, if there is no condominium property or
402 association property upon which notices can be posted, this
403 requirement does not apply. In lieu of or in addition to the
404 physical posting of notice of any meeting of the unit owners on
405 the condominium property, the association may, by reasonable
406 rule, adopt a procedure for conspicuously posting and repeatedly
407 broadcasting the notice and the agenda on a closed-circuit cable
408 television system serving the condominium association. However,
409 if broadcast notice is used in lieu of a notice posted
410 physically on the condominium property, the notice and agenda
411 must be broadcast at least four times every broadcast hour of
412 each day that a posted notice is otherwise required under this
413 section. When broadcast notice is provided, the notice and
414 agenda must be broadcast in a manner and for a sufficient
415 continuous length of time so as to allow an average reader to
416 observe the notice and read and comprehend the entire content of
417 the notice and the agenda. Unless a unit owner waives in writing
418 the right to receive notice of the annual meeting, such notice



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419 shall be hand delivered, ~~or~~ mailed, or electronically
420 transmitted to each unit owner. Notice for meetings and notice
421 for all other purposes shall be mailed to each unit owner at the
422 address last furnished to the association by the unit owner, or
423 hand delivered to each unit owner. However, if a unit is owned
424 by more than one person, the association shall provide notice,
425 for meetings and all other purposes, to that one address which
426 the developer initially identifies for that purpose and
427 thereafter as one or more of the owners of the unit shall so
428 advise the association in writing, or if no address is given or
429 the owners of the unit do not agree, to the address provided on
430 the deed of record. An officer of the association, or the
431 manager or other person providing notice of the association
432 meeting, shall provide an affidavit or United States Postal
433 Service certificate of mailing, to be included in the official
434 records of the association affirming that the notice was mailed
435 or hand delivered, in accordance with this provision.

436 3. The members of the board shall be elected by written
437 ballot or voting machine. Proxies shall in no event be used in
438 electing the board, either in general elections or elections to
439 fill vacancies caused by recall, resignation, or otherwise,
440 unless otherwise provided in this chapter. Not less than 60 days
441 before a scheduled election, the association shall mail, ~~or~~
442 deliver, or electronically transmit, whether by separate
443 association mailing or included in another association mailing,
444 ~~or~~ delivery, or transmission, including regularly published
445 newsletters, to each unit owner entitled to a vote, a first
446 notice of the date of the election. Any unit owner or other



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447 eligible person desiring to be a candidate for the board must
448 give written notice to the association not less than 40 days
449 before a scheduled election. Together with the written notice
450 and agenda as set forth in subparagraph 2., the association
451 shall mail, ~~or deliver,~~ or electronically transmit a second
452 notice of the election to all unit owners entitled to vote
453 therein, together with a ballot which shall list all candidates.
454 Upon request of a candidate, the association shall include an
455 information sheet, no larger than 8 1/2 inches by 11 inches,
456 which must be furnished by the candidate not less than 35 days
457 before the election, to be included with the mailing, delivery,
458 or transmission of the ballot, with the costs of mailing, ~~or~~
459 delivery, or electronic transmission and copying to be borne by
460 the association. The association is not liable for the contents
461 of the information sheets prepared by the candidates. In order
462 to reduce costs, the association may print or duplicate the
463 information sheets on both sides of the paper. The division
464 shall by rule establish voting procedures consistent with the
465 provisions contained herein, including rules providing for
466 giving notice to the members by electronic transmission in a
467 manner authorized by law and for the secrecy of ballots.
468 Elections shall be decided by a plurality of those ballots cast.
469 There shall be no quorum requirement; however, at least 20
470 percent of the eligible voters must cast a ballot in order to
471 have a valid election of members of the board. No unit owner
472 shall permit any other person to vote his or her ballot, and any
473 such ballots improperly cast shall be deemed invalid, provided
474 any unit owner who violates this provision may be fined by the



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475 association in accordance with s. 718.303. A unit owner who
476 needs assistance in casting the ballot for the reasons stated in
477 s. 101.051 may obtain assistance in casting the ballot. The
478 regular election shall occur on the date of the annual meeting.
479 The provisions of this subparagraph shall not apply to timeshare
480 condominium associations. Notwithstanding the provisions of this
481 subparagraph, an election is not required unless more candidates
482 file notices of intent to run or are nominated than board
483 vacancies exist.

484 4. Any approval by unit owners called for by this chapter
485 or the applicable declaration or bylaws, including, but not
486 limited to, the approval requirement in s. 718.111(8), shall be
487 made at a duly noticed meeting of unit owners and shall be
488 subject to all requirements of this chapter or the applicable
489 condominium documents relating to unit owner decisionmaking,
490 except that unit owners may take action by written agreement,
491 without meetings, on matters for which action by written
492 agreement without meetings is expressly allowed by the
493 applicable bylaws or declaration or any statute that provides
494 for such action.

495 5. Unit owners may waive notice of specific meetings if
496 allowed by the applicable bylaws or declaration or any statute.
497 Unit owners may consent to receiving notice of board, committee,
498 and membership meetings by electronic transmission if the bylaws
499 provide a method for giving notice by electronic transmission.

500 6. Unit owners shall have the right to participate in
501 meetings of unit owners with reference to all designated agenda
502 items. However, the association may adopt reasonable rules



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503 governing the frequency, duration, and manner of unit owner
504 participation.

505 7. Any unit owner may tape record or videotape a meeting
506 of the unit owners subject to reasonable rules adopted by the
507 division.

508 8. Unless otherwise provided in the bylaws, any vacancy
509 occurring on the board before the expiration of a term may be
510 filled by the affirmative vote of the majority of the remaining
511 directors, even if the remaining directors constitute less than
512 a quorum, or by the sole remaining director. In the alternative,
513 a board may hold an election to fill the vacancy, in which case
514 the election procedures must conform to the requirements of
515 subparagraph 3. unless the association has opted out of the
516 statutory election process, in which case the bylaws of the
517 association control. Unless otherwise provided in the bylaws, a
518 board member appointed or elected under this section shall fill
519 the vacancy for the unexpired term of the seat being filled.
520 Filling vacancies created by recall is governed by paragraph(j)
521 and rules adopted by the division.

522
523 Notwithstanding subparagraphs (b)2. and (d)3., an association
524 may, by the affirmative vote of a majority of the total voting
525 interests, provide for different voting and election procedures
526 in its bylaws, which vote may be by a proxy specifically
527 delineating the different voting and election procedures. The
528 different voting and election procedures may provide for
529 elections to be conducted by limited or general proxy.

530 (e) Budget meeting.--



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531 1. Any meeting at which a proposed annual budget of an
532 association will be considered by the board or unit owners shall
533 be open to all unit owners. At least 14 days prior to such a
534 meeting, the board shall hand deliver to each unit owner, ~~or~~
535 mail to each unit owner at the address last furnished to the
536 association by the unit owner, or electronically transmit to the
537 location furnished by the unit owner for that purpose a notice
538 of such meeting and a copy of the proposed annual budget. An
539 officer or manager of the association, or other person providing
540 notice of such meeting, shall execute an affidavit evidencing
541 compliance with such notice requirement, and such affidavit
542 shall be filed among the official records of the association.

543 2.a. If a board adopts in any fiscal year an annual budget
544 which requires assessments against unit owners which exceed 115
545 percent of assessments for the preceding fiscal year, the board
546 shall conduct a special meeting of the unit owners to consider a
547 substitute budget if the board receives, within 21 days after
548 adoption of the annual budget, a written request for a special
549 meeting from at least 10 percent of all voting interests. The
550 special meeting shall be conducted within 60 days after adoption
551 of the annual budget. At least 14 days prior to such special
552 meeting, the board shall hand deliver to each unit owner, or
553 mail to each unit owner at the address last furnished to the
554 association, a notice of the meeting. An officer or manager of
555 the association, or other person providing notice of such
556 meeting shall execute an affidavit evidencing compliance with
557 this notice requirement, and such affidavit shall be filed among
558 the official records of the association. Unit owners may



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559 consider and adopt a substitute budget at the special meeting. A
560 substitute budget is adopted if approved by a majority of all
561 voting interests unless the bylaws require adoption by a greater
562 percentage of voting interests. If there is not a quorum at the
563 special meeting or a substitute budget is not adopted, the
564 annual budget previously adopted by the board shall take effect
565 as scheduled.

566 b. Any determination of whether assessments exceed 115
567 percent of assessments for the prior fiscal year shall exclude
568 any authorized provision for reasonable reserves for repair or
569 replacement of the condominium property, anticipated expenses of
570 the association which the board does not expect to be incurred
571 on a regular or annual basis, or assessments for betterments to
572 the condominium property.

573 c. If the developer controls the board, assessments shall
574 not exceed 115 percent of assessments for the prior fiscal year
575 unless approved by a majority of all voting interests.

576 (j) Recall of board members.--Subject to the provisions of
577 s. 718.301, any member of the board of administration may be
578 recalled and removed from office with or without cause by the
579 vote or agreement in writing by a majority of all the voting
580 interests. A special meeting of the unit owners to recall a
581 member or members of the board of administration may be called
582 by 10 percent of the voting interests giving notice of the
583 meeting as required for a meeting of unit owners, and the notice
584 shall state the purpose of the meeting. Electronic transmission
585 may not be used as a method of giving notice of a meeting called
586 in whole or in part for this purpose.



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587 | 1. If the recall is approved by a majority of all voting
588 | interests by a vote at a meeting, the recall will be effective
589 | as provided herein. The board shall duly notice and hold a board
590 | meeting within 5 full business days of the adjournment of the
591 | unit owner meeting to recall one or more board members. At the
592 | meeting, the board shall either certify the recall, in which
593 | case such member or members shall be recalled effective
594 | immediately and shall turn over to the board within 5 full
595 | business days any and all records and property of the
596 | association in their possession, or shall proceed as set forth
597 | in subparagraph 3.

598 | 2. If the proposed recall is by an agreement in writing by
599 | a majority of all voting interests, the agreement in writing or
600 | a copy thereof shall be served on the association by certified
601 | mail or by personal service in the manner authorized by chapter
602 | 48 and the Florida Rules of Civil Procedure. The board of
603 | administration shall duly notice and hold a meeting of the board
604 | within 5 full business days after receipt of the agreement in
605 | writing. At the meeting, the board shall either certify the
606 | written agreement to recall a member or members of the board, in
607 | which case such member or members shall be recalled effective
608 | immediately and shall turn over to the board within 5 full
609 | business days any and all records and property of the
610 | association in their possession, or proceed as described in
611 | subparagraph 3.

612 | 3. If the board determines not to certify the written
613 | agreement to recall a member or members of the board, or does
614 | not certify the recall by a vote at a meeting, the board shall,



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615 within 5 full business days after the meeting, file with the
616 division a petition for arbitration pursuant to the procedures
617 in s. 718.1255. For the purposes of this section, the unit
618 owners who voted at the meeting or who executed the agreement in
619 writing shall constitute one party under the petition for
620 arbitration. If the arbitrator certifies the recall as to any
621 member or members of the board, the recall will be effective
622 upon mailing of the final order of arbitration to the
623 association. If the association fails to comply with the order
624 of the arbitrator, the division may take action pursuant to s.
625 718.501. Any member or members so recalled shall deliver to the
626 board any and all records of the association in their possession
627 within 5 full business days of the effective date of the recall.

628 4. If the board fails to duly notice and hold a board
629 meeting within 5 full business days of service of an agreement
630 in writing or within 5 full business days of the adjournment of
631 the unit owner recall meeting, the recall shall be deemed
632 effective and the board members so recalled shall immediately
633 turn over to the board any and all records and property of the
634 association.

635 5. If a vacancy occurs on the board as a result of a
636 recall and less than a majority of the board members are
637 removed, the vacancy may be filled by the affirmative vote of a
638 majority of the remaining directors, notwithstanding any
639 provision to the contrary contained in this subsection. If
640 vacancies occur on the board as a result of a recall and a
641 majority or more of the board members are removed, the vacancies
642 shall be filled in accordance with procedural rules to be



643 adopted by the division, which rules need not be consistent with
 644 this subsection. The rules must provide procedures governing the
 645 conduct of the recall election as well as the operation of the
 646 association during the period after a recall but prior to the
 647 recall election.

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

651 (a) A method of adopting and amending administrative rules
 652 and regulations governing the details of the operation and use
 653 of the common elements.

654 (b) Restrictions on and requirements for the use,
 655 maintenance, and appearance of the units and the use of the
 656 common elements.

657 (c) Provisions for giving notice by electronic
 658 transmission in a manner authorized by law of meetings of the
 659 board of directors and committees and of annual and special
 660 meetings of the members.

661 (d)~~(e)~~ Other provisions which are not inconsistent with
 662 this chapter or with the declaration, as may be desired.

663 Section 5. Subsection (8) of section 718.116, Florida
 664 Statutes, is amended to read:

665 718.116 Assessments; liability; lien and priority;
 666 interest; collection.--

667 (8) Within 15 days after receiving a written request
 668 therefor from a unit owner purchaser, or mortgagee, the
 669 association shall provide a certificate signed by an officer or
 670 agent of the association stating all assessments and other



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671 moneys owed to the association by the unit owner with respect to
672 the condominium parcel. Any person other than the owner who
673 relies upon such certificate shall be protected thereby. A
674 summary proceeding pursuant to s. 51.011 may be brought to
675 compel compliance with this subsection, and in any such action
676 the prevailing party is entitled to recover reasonable
677 attorney's fees. Notwithstanding any limitation on transfer fees
678 contained in s. 718.112(2)(i), the association or its authorized
679 agent may charge a reasonable fee for the preparation of the
680 certificate.

681 Section 6. Paragraph (a) of subsection (2) of section
682 719.104, Florida Statutes, is amended to read:

683 719.104 Cooperatives; access to units; records; financial
684 reports; assessments; purchase of leases.--

685 (2) OFFICIAL RECORDS.--

686 (a) From the inception of the association, the association
687 shall maintain a copy of each of the following, where
688 applicable, which shall constitute the official records of the
689 association:

690 1. The plans, permits, warranties, and other items
691 provided by the developer pursuant to s. 719.301(4).

692 2. A photocopy of the cooperative documents.

693 3. A copy of the current rules of the association.

694 4. A book or books containing the minutes of all meetings
695 of the association, of the board of directors, and of the unit
696 owners, which minutes shall be retained for a period of not less
697 than 7 years.



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698 5. A current roster of all unit owners and their postal
699 and electronic mailing addresses, unit identifications, voting
700 certifications, and, if known, telephone numbers. Upon the
701 request of the unit owner in writing, the electronic mail
702 address and the number designated by the unit owner for
703 receiving electronic transmission of notices shall not be
704 included in the official records of the association. However,
705 the association is not liable for an accidental or inadvertent
706 disclosure of the electronic mail address or the number for
707 receiving electronic transmission of notices unless such
708 disclosure is made in reckless disregard of the private nature
709 of the electronic mail address or the number.

710 6. All current insurance policies of the association.

711 7. A current copy of any management agreement, lease, or
712 other contract to which the association is a party or under
713 which the association or the unit owners have an obligation or
714 responsibility.

715 8. Bills of sale or transfer for all property owned by the
716 association.

717 9. Accounting records for the association and separate
718 accounting records for each unit it operates, according to good
719 accounting practices. All accounting records shall be maintained
720 for a period of not less than 7 years. The accounting records
721 shall include, but not be limited to:

722 a. Accurate, itemized, and detailed records of all
723 receipts and expenditures.

724 b. A current account and a monthly, bimonthly, or
725 quarterly statement of the account for each unit designating the



726 name of the unit owner, the due date and amount of each
727 assessment, the amount paid upon the account, and the balance
728 due.

729 c. All audits, reviews, accounting statements, and
730 financial reports of the association.

731 d. All contracts for work to be performed. Bids for work
732 to be performed shall also be considered official records and
733 shall be maintained for a period of 1 year.

734 10. Ballots, sign-in sheets, voting proxies, and all other
735 papers relating to voting by unit owners, which shall be
736 maintained for a period of 1 year after the date of the
737 election, vote, or meeting to which the document relates.

738 11. All rental records where the association is acting as
739 agent for the rental of units.

740 12. A copy of the current question and answer sheet as
741 described in s. 719.504.

742 13. All other records of the association not specifically
743 included in the foregoing which are related to the operation of
744 the association.

745 Section 7. Paragraphs (b), (c), (d), (e), and (f) of
746 subsection(1) and subsection (2) of section 719.106, Florida
747 Statutes, are amended to read:

748 719.106 Bylaws; cooperative ownership.--

749 (1) MANDATORY PROVISIONS.--The bylaws or other cooperative
750 documents shall provide for the following, and if they do not,
751 they shall be deemed to include the following:

752 (b) Quorum; voting requirements; proxies.--



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753 1. Unless otherwise provided in the bylaws, the percentage
754 of voting interests required to constitute a quorum at a meeting
755 of the members shall be a majority of voting interests, and
756 decisions shall be made by owners of a majority of the voting
757 interests. Unless otherwise provided in this chapter, or in the
758 articles of incorporation, bylaws, or other cooperative
759 documents, and except as provided in subparagraph (d)1.,
760 decisions shall be made by owners of a majority of the voting
761 interests represented at a meeting at which a quorum is present.

762 2. Except as specifically otherwise provided herein, after
763 January 1, 1992, unit owners may not vote by general proxy, but
764 may vote by limited proxies substantially conforming to a
765 limited proxy form adopted by the division. Limited proxies and
766 general proxies may be used to establish a quorum. Limited
767 proxies shall be used for votes taken to waive or reduce
768 reserves in accordance with subparagraph (j)2., for votes taken
769 to waive the financial reporting requirements of s. 719.104(4),
770 for votes taken to amend the articles of incorporation or bylaws
771 pursuant to this section, and for any other matter for which
772 this chapter requires or permits a vote of the unit owners.
773 Except as provided in paragraph (d), after January 1, 1992, no
774 proxy, limited or general, shall be used in the election of
775 board members. General proxies may be used for other matters for
776 which limited proxies are not required, and may also be used in
777 voting for nonsubstantive changes to items for which a limited
778 proxy is required and given. Notwithstanding the provisions of
779 this section, unit owners may vote in person at unit owner
780 meetings. Nothing contained herein shall limit the use of



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781 general proxies or require the use of limited proxies or require
782 the use of limited proxies for any agenda item or election at
783 any meeting of a timeshare cooperative.

784 3. Any proxy given shall be effective only for the
785 specific meeting for which originally given and any lawfully
786 adjourned meetings thereof. In no event shall any proxy be
787 valid for a period longer than 90 days after the date of the
788 first meeting for which it was given. Every proxy shall be
789 revocable at any time at the pleasure of the unit owner
790 executing it.

791 4. A member of the board of administration or a committee
792 may submit in writing his or her agreement or disagreement with
793 any action taken at a meeting that the member did not attend.
794 This agreement or disagreement may not be used as a vote for or
795 against the action taken and may not be used for the purposes of
796 creating a quorum.

797 5. When some or all of the board or committee members meet
798 by telephone conference, those board or committee members
799 attending by telephone conference may be counted toward
800 obtaining a quorum and may vote by telephone. A telephone
801 speaker shall be utilized so that the conversation of those
802 board or committee members attending by telephone may be heard
803 by the board or committee members attending in person, as well
804 as by unit owners present at a meeting.

805 (c) Board of administration meetings.--Meetings of the
806 board of administration at which a quorum of the members is
807 present shall be open to all unit owners. Any unit owner may
808 tape record or videotape meetings of the board of



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809 administration. The right to attend such meetings includes the
810 right to speak at such meetings with reference to all designated
811 agenda items. The division shall adopt reasonable rules
812 governing the tape recording and videotaping of the meeting.
813 The association may adopt reasonable written rules governing the
814 frequency, duration, and manner of unit owner statements.
815 Adequate notice of all meetings shall be posted in a conspicuous
816 place upon the cooperative property at least 48 continuous hours
817 preceding the meeting, except in an emergency. Any item not
818 included on the notice may be taken up on an emergency basis by
819 at least a majority plus one of the members of the board. Such
820 emergency action shall be noticed and ratified at the next
821 regular meeting of the board. However, written notice of any
822 meeting at which nonemergency special assessments, or at which
823 amendment to rules regarding unit use, will be considered shall
824 be mailed, ~~or delivered,~~ or electronically transmitted to the
825 unit owners and posted conspicuously on the cooperative property
826 not less than 14 days prior to the meeting. Evidence of
827 compliance with this 14-day notice shall be made by an affidavit
828 executed by the person providing the notice and filed among the
829 official records of the association. Upon notice to the unit
830 owners, the board shall by duly adopted rule designate a
831 specific location on the cooperative property upon which all
832 notices of board meetings shall be posted. In lieu of or in
833 addition to the physical posting of notice of any meeting of the
834 board of administration on the cooperative property, the
835 association may, by reasonable rule, adopt a procedure for
836 conspicuously posting and repeatedly broadcasting the notice and



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837 the agenda on a closed-circuit cable television system serving
838 the cooperative association. However, if broadcast notice is
839 used in lieu of a notice posted physically on the cooperative
840 property, the notice and agenda must be broadcast at least four
841 times every broadcast hour of each day that a posted notice is
842 otherwise required under this section. When broadcast notice is
843 provided, the notice and agenda must be broadcast in a manner
844 and for a sufficient continuous length of time so as to allow an
845 average reader to observe the notice and read and comprehend the
846 entire content of the notice and the agenda. Notice of any
847 meeting in which regular assessments against unit owners are to
848 be considered for any reason shall specifically contain a
849 statement that assessments will be considered and the nature of
850 any such assessments. Meetings of a committee to take final
851 action on behalf of the board or to make recommendations to the
852 board regarding the association budget are subject to the
853 provisions of this paragraph. Meetings of a committee that does
854 not take final action on behalf of the board or make
855 recommendations to the board regarding the association budget
856 are subject to the provisions of this section, unless those
857 meetings are exempted from this section by the bylaws of the
858 association. Notwithstanding any other law to the contrary, the
859 requirement that board meetings and committee meetings be open
860 to the unit owners is inapplicable to meetings between the board
861 or a committee and the association's attorney, with respect to
862 proposed or pending litigation, when the meeting is held for the
863 purpose of seeking or rendering legal advice.



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864 (d) Shareholder meetings.--There shall be an annual
865 meeting of the shareholders. All members of the board of
866 administration shall be elected at the annual meeting unless the
867 bylaws provide for staggered election terms or for their
868 election at another meeting. Any unit owner desiring to be a
869 candidate for board membership shall comply with subparagraph 1.
870 The bylaws shall provide the method for calling meetings,
871 including annual meetings. Written notice, which notice shall
872 incorporate an identification of agenda items, shall be given to
873 each unit owner at least 14 days prior to the annual meeting and
874 shall be posted in a conspicuous place on the cooperative
875 property at least 14 continuous days preceding the annual
876 meeting. Upon notice to the unit owners, the board shall by
877 duly adopted rule designate a specific location on the
878 cooperative property upon which all notice of unit owner
879 meetings shall be posted. In lieu of or in addition to the
880 physical posting of notice of any meeting of the shareholders on
881 the cooperative property, the association may, by reasonable
882 rule, adopt a procedure for conspicuously posting and repeatedly
883 broadcasting the notice and the agenda on a closed-circuit cable
884 television system serving the cooperative association. However,
885 if broadcast notice is used in lieu of a notice posted
886 physically on the cooperative property, the notice and agenda
887 must be broadcast at least four times every broadcast hour of
888 each day that a posted notice is otherwise required under this
889 section. When broadcast notice is provided, the notice and
890 agenda must be broadcast in a manner and for a sufficient
891 continuous length of time so as to allow an average reader to



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892 | observe the notice and read and comprehend the entire content of
893 | the notice and the agenda. Unless a unit owner waives in writing
894 | the right to receive notice of the annual meeting, the notice of
895 | the annual meeting shall be sent by mail, hand delivered, or
896 | electronically transmitted to each unit owner. An officer of
897 | the association shall provide an affidavit or United States
898 | Postal Service certificate of mailing, to be included in the
899 | official records of the association, affirming that notices of
900 | the association meeting were mailed, ~~or~~ hand delivered, or
901 | electronically transmitted, in accordance with this provision,
902 | to each unit owner at the address last furnished to the
903 | association.

904 | 1. After January 1, 1992, the board of administration
905 | shall be elected by written ballot or voting machine. Proxies
906 | shall in no event be used in electing the board of
907 | administration, either in general elections or elections to fill
908 | vacancies caused by recall, resignation, or otherwise unless
909 | otherwise provided in this chapter. Not less than 60 days
910 | before a scheduled election, the association shall mail, ~~or~~
911 | deliver, or transmit, whether by separate association mailing,
912 | delivery, or electronic transmission or included in another
913 | association mailing, ~~or~~ delivery, or electronic transmission,
914 | including regularly published newsletters, to each unit owner
915 | entitled to vote, a first notice of the date of the election.
916 | Any unit owner or other eligible person desiring to be a
917 | candidate for the board of administration shall give written
918 | notice to the association not less than 40 days before a
919 | scheduled election. Together with the written notice and agenda



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920 as set forth in this section, the association shall mail,
921 deliver, or electronically transmit a second notice of election
922 to all unit owners entitled to vote therein, together with a
923 ballot which shall list all candidates. Upon request of a
924 candidate, the association shall include an information sheet,
925 no larger than 8 1/2 inches by 11 inches, which must be
926 furnished by the candidate not less than 35 days prior to the
927 election, to be included with the mailing, delivery, or
928 electronic transmission of the ballot, with the costs of
929 mailing, ~~or~~ delivery, or transmission and copying to be borne by
930 the association. The association has no liability for the
931 contents of the information sheets provided by the candidates.
932 In order to reduce costs, the association may print or duplicate
933 the information sheets on both sides of the paper. The division
934 shall by rule establish voting procedures consistent with the
935 provisions contained herein, including rules providing for
936 giving notice by electronic transmission in a manner authorized
937 by law of meetings of the board of directors and committees and
938 of annual and special meetings of the members and for the
939 secrecy of ballots. Elections shall be decided by a plurality
940 of those ballots cast. There shall be no quorum requirement.
941 However, at least 20 percent of the eligible voters must cast a
942 ballot in order to have a valid election of members of the board
943 of administration. No unit owner shall permit any other person
944 to vote his or her ballot, and any such ballots improperly cast
945 shall be deemed invalid. A unit owner who needs assistance in
946 casting the ballot for the reasons stated in s. 101.051 may
947 obtain assistance in casting the ballot. Any unit owner



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948 | violating this provision may be fined by the association in
949 | accordance with s. 719.303. The regular election shall occur on
950 | the date of the annual meeting. The provisions of this
951 | subparagraph shall not apply to timeshare cooperatives.
952 | Notwithstanding the provisions of this subparagraph, an election
953 | and balloting are not required unless more candidates file a
954 | notice of intent to run or are nominated than vacancies exist on
955 | the board.

956 | 2. Any approval by unit owners called for by this chapter,
957 | or the applicable cooperative documents, shall be made at a duly
958 | noticed meeting of unit owners and shall be subject to all
959 | requirements of this chapter or the applicable cooperative
960 | documents relating to unit owner decisionmaking, except that
961 | unit owners may take action by written agreement, without
962 | meetings, on matters for which action by written agreement
963 | without meetings is expressly allowed by the applicable
964 | cooperative documents or any Florida statute which provides for
965 | the unit owner action.

966 | 3. Unit owners may waive notice of specific meetings if
967 | allowed by the applicable cooperative documents or any Florida
968 | statute. Unit owners may consent to receiving notice of board,
969 | committee, and membership meetings by electronic transmission if
970 | the bylaws provide a method for giving notice by electronic
971 | transmission.

972 | 4. Unit owners shall have the right to participate in
973 | meetings of unit owners with reference to all designated agenda
974 | items. However, the association may adopt reasonable rules



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975 governing the frequency, duration, and manner of unit owner
976 participation.

977 5. Any unit owner may tape record or videotape meetings of
978 the unit owners subject to reasonable rules adopted by the
979 division.

980

981 Notwithstanding subparagraphs (b)2. and (d)1., an association
982 may, by the affirmative vote of a majority of the total voting
983 interests, provide for a different voting and election procedure
984 in its bylaws, which vote may be by a proxy specifically
985 delineating the different voting and election procedures. The
986 different voting and election procedures may provide for
987 elections to be conducted by limited or general proxy.

988 (e) Budget procedures.--

989 1. The board of administration shall mail, ~~or~~ hand
990 deliver, or electronically transmit to each unit owner at the
991 address last furnished to the association, a meeting notice and
992 copies of the proposed annual budget of common expenses to the
993 unit owners not less than 14 days prior to the meeting at which
994 the budget will be considered. Evidence of compliance with this
995 14-day notice must be made by an affidavit executed by an
996 officer of the association or the manager or other person
997 providing notice of the meeting and filed among the official
998 records of the association. The meeting must be open to the unit
999 owners.

1000 2. If an adopted budget requires assessment against the
1001 unit owners in any fiscal or calendar year which exceeds 115
1002 percent of the assessments for the preceding year, the board



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1003 upon written application of 10 percent of the voting interests
1004 to the board, shall call a special meeting of the unit owners
1005 within 30 days, upon not less than 10 days' written notice to
1006 each unit owner. At the special meeting, unit owners shall
1007 consider and enact a budget. Unless the bylaws require a larger
1008 vote, the adoption of the budget requires a vote of not less
1009 than a majority of all the voting interests.

1010 3. The board of administration may, in any event, propose
1011 a budget to the unit owners at a meeting of members or by
1012 writing, and if the budget or proposed budget is approved by the
1013 unit owners at the meeting or by a majority of all voting
1014 interests in writing, the budget is adopted. If a meeting of
1015 the unit owners has been called and a quorum is not attained or
1016 a substitute budget is not adopted by the unit owners, the
1017 budget adopted by the board of directors goes into effect as
1018 scheduled.

1019 4. In determining whether assessments exceed 115 percent
1020 of similar assessments for prior years, any authorized
1021 provisions for reasonable reserves for repair or replacement of
1022 cooperative property, anticipated expenses by the association
1023 which are not anticipated to be incurred on a regular or annual
1024 basis, or assessments for betterments to the cooperative
1025 property must be excluded from computation. However, as long as
1026 the developer is in control of the board of administration, the
1027 board may not impose an assessment for any year greater than 115
1028 percent of the prior fiscal or calendar year's assessment
1029 without approval of a majority of all voting interests.



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1030 (f) Recall of board members.--Subject to the provisions of
 1031 s. 719.301, any member of the board of administration may be
 1032 recalled and removed from office with or without cause by the
 1033 vote or agreement in writing by a majority of all the voting
 1034 interests. A special meeting of the voting interests to recall
 1035 any member of the board of administration may be called by 10
 1036 percent of the unit owners giving notice of the meeting as
 1037 required for a meeting of unit owners, and the notice shall
 1038 state the purpose of the meeting. Electronic transmission may
 1039 not be used as a method of giving notice of a meeting called in
 1040 whole or in part for this purpose.

1041 1. If the recall is approved by a majority of all voting
 1042 interests by a vote at a meeting, the recall shall be effective
 1043 as provided herein. The board shall duly notice and hold a board
 1044 meeting within 5 full business days of the adjournment of the
 1045 unit owner meeting to recall one or more board members. At the
 1046 meeting, the board shall either certify the recall, in which
 1047 case such member or members shall be recalled effective
 1048 immediately and shall turn over to the board within 5 full
 1049 business days any and all records and property of the
 1050 association in their possession, or shall proceed as set forth
 1051 in subparagraph 3.

1052 2. If the proposed recall is by an agreement in writing by
 1053 a majority of all voting interests, the agreement in writing or
 1054 a copy thereof shall be served on the association by certified
 1055 mail or by personal service in the manner authorized by chapter
 1056 48 and the Florida Rules of Civil Procedure. The board of
 1057 administration shall duly notice and hold a meeting of the board



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1058 within 5 full business days after receipt of the agreement in
1059 writing. At the meeting, the board shall either certify the
1060 written agreement to recall members of the board, in which case
1061 such members shall be recalled effective immediately and shall
1062 turn over to the board, within 5 full business days, any and all
1063 records and property of the association in their possession, or
1064 proceed as described in subparagraph 3.

1065 3. If the board determines not to certify the written
1066 agreement to recall members of the board, or does not certify
1067 the recall by a vote at a meeting, the board shall, within 5
1068 full business days after the board meeting, file with the
1069 division a petition for binding arbitration pursuant to the
1070 procedures of s. 719.1255. For purposes of this paragraph, the
1071 unit owners who voted at the meeting or who executed the
1072 agreement in writing shall constitute one party under the
1073 petition for arbitration. If the arbitrator certifies the recall
1074 as to any member of the board, the recall shall be effective
1075 upon mailing of the final order of arbitration to the
1076 association. If the association fails to comply with the order
1077 of the arbitrator, the division may take action pursuant to s.
1078 719.501. Any member so recalled shall deliver to the board any
1079 and all records and property of the association in the member's
1080 possession within 5 full business days of the effective date of
1081 the recall.

1082 4. If the board fails to duly notice and hold a board
1083 meeting within 5 full business days of service of an agreement
1084 in writing or within 5 full business days of the adjournment of
1085 the unit owner recall meeting, the recall shall be deemed



1086 effective and the board members so recalled shall immediately
1087 turn over to the board any and all records and property of the
1088 association.

1089 5. If a vacancy occurs on the board as a result of a
1090 recall and less than a majority of the board members are
1091 removed, the vacancy may be filled by the affirmative vote of a
1092 majority of the remaining directors, notwithstanding any
1093 provision to the contrary contained in this chapter. If
1094 vacancies occur on the board as a result of a recall and a
1095 majority or more of the board members are removed, the vacancies
1096 shall be filled in accordance with procedural rules to be
1097 adopted by the division, which rules need not be consistent with
1098 this chapter. The rules must provide procedures governing the
1099 conduct of the recall election as well as the operation of the
1100 association during the period after a recall but prior to the
1101 recall election.

1102 (2) OPTIONAL PROVISIONS.--The bylaws may provide for the
1103 following:

1104 (a) Administrative rules.--A method of adopting and of
1105 amending administrative rules and regulations governing the
1106 details of the operation and use of the common areas.

1107 (b) Use and maintenance restrictions.--Restrictions on,
1108 and requirements for, the use, maintenance, and appearance of
1109 the units and the use of the common areas, not inconsistent with
1110 the cooperative documents, designed to prevent unreasonable
1111 interference with the use of the units and common areas.

1112 (c) Notice of meetings.--Provisions for giving notice by
1113 electronic transmissions in a manner authorized by law of



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1114 meetings of the board of directors and committees and of annual
1115 and special meetings of the members.

1116 (d)(e) Other matters.--Other provisions not inconsistent
1117 with this chapter or with the cooperative documents as may be
1118 desired.

1119 Section 8. Subsection (6) of section 719.108, Florida
1120 Statutes, is amended to read:

1121 719.108 Rents and assessments; liability; lien and
1122 priority; interest; collection; cooperative ownership.--

1123 (6) Within 15 days after request by a unit owner or
1124 mortgagee, the association shall provide a certificate stating
1125 all assessments and other moneys owed to the association by the
1126 unit owner with respect to the cooperative parcel. Any person
1127 other than the unit owner who relies upon such certificate shall
1128 be protected thereby. Notwithstanding any limitation on transfer
1129 fees contained in s. 719.106(1)(i), the association or its
1130 authorized agent may charge a reasonable fee for the preparation
1131 of the certificate.

1132 Section 9. Subsection (1) of section 720.302, Florida
1133 Statutes, is amended, and subsection (5) is added to that
1134 section, to read:

1135 720.302 Purposes, scope, and application.--

1136 (1) The purposes of ss. 720.301-720.312 are to give
1137 statutory recognition to corporations not for profit that
1138 operate residential communities in this state, to provide
1139 procedures for operating homeowners' associations, and to
1140 protect the rights of association members without unduly



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1141 impairing the ability of such associations to perform their
1142 functions.

1143 (5) Unless expressly stated to the contrary, corporations
1144 not for profit that operate residential homeowners' associations
1145 in this state shall be governed by and subject to chapter 617.
1146 This subsection is intended to clarify existing law.

1147 Section 10. Subsection (2) and paragraph (g) of subsection
1148 (4) of section 720.303, Florida Statutes, are amended to read:

1149 720.303 Association powers and duties; meetings of board;
1150 official records; budgets; financial reporting.--

1151 (2) BOARD MEETINGS.--A meeting of the board of directors
1152 of an association occurs whenever a quorum of the board gathers
1153 to conduct association business. All meetings of the board must
1154 be open to all members except for meetings between the board and
1155 its attorney with respect to proposed or pending litigation
1156 where the contents of the discussion would otherwise be governed
1157 by the attorney-client privilege. Notices of all board meetings
1158 must be posted in a conspicuous place in the community at least
1159 48 hours in advance of a meeting, except in an emergency. In
1160 the alternative, if notice is not posted in a conspicuous place
1161 in the community, notice of each board meeting must be mailed or
1162 delivered to each member at least 7 days before the meeting,
1163 except in an emergency. Notwithstanding this general notice
1164 requirement, for communities with more than 100 members, the
1165 bylaws may provide for a reasonable alternative to posting or
1166 mailing of notice for each board meeting, including publication
1167 of notice, ~~or~~ provision of a schedule of board meetings, or the
1168 conspicuous posting and repeated broadcasting of the notice on a



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1169 closed-circuit cable television system serving the homeowners'
1170 association. However, if broadcast notice is used in lieu of a
1171 notice posted physically in the community, the notice must be
1172 broadcast at least four times every broadcast hour of each day
1173 that a posted notice is otherwise required. When broadcast
1174 notice is provided, the notice and agenda must be broadcast in a
1175 manner and for a sufficient continuous length of time so as to
1176 allow an average reader to observe the notice and read and
1177 comprehend the entire content of the notice and the agenda. The
1178 bylaws or amended bylaws may provide for giving notice by
1179 electronic transmission in a manner authorized by law for
1180 meetings of the board of directors, committee meetings requiring
1181 notice under this section, and annual and special meetings of
1182 the members; however, a member must consent in writing to
1183 receiving notice by electronic transmission. An assessment may
1184 not be levied at a board meeting unless the notice of the
1185 meeting includes a statement that assessments will be considered
1186 and the nature of the assessments. Directors may not vote by
1187 proxy or by secret ballot at board meetings, except that secret
1188 ballots may be used in the election of officers. This
1189 subsection also applies to the meetings of any committee or
1190 other similar body, when a final decision will be made regarding
1191 the expenditure of association funds, and to any body vested
1192 with the power to approve or disapprove architectural decisions
1193 with respect to a specific parcel of residential property owned
1194 by a member of the community.



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1195 (4) OFFICIAL RECORDS.--The association shall maintain each
1196 of the following items, when applicable, which constitute the
1197 official records of the association:

1198 (g) A current roster of all members and their postal and
1199 electronic mailing addresses and parcel identifications. Upon
1200 the request of a member in writing, the electronic mail address
1201 and the number designated by the member for receiving electronic
1202 transmission of notices shall not be included in the official
1203 records of the association. However, the association is not
1204 liable for an accidental or inadvertent disclosure of the
1205 electronic mail address or the number for receiving electronic
1206 transmission of notices unless such disclosure is made in
1207 reckless disregard of the private nature of the electronic mail
1208 address or the number.

1209 Section 11. This act shall take effect upon becoming a
1210 law.