

CHAMBER ACTION

1 The Committee on Business Regulation recommends the following:

2  
3 **Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to condominium associations; amending s.  
7 718.103, F.S.; defining the term "immediate family  
8 member"; amending s. 718.110, F.S.; providing for  
9 grandfathering and modification of rental rights;  
10 providing for certain application of the amendment of unit  
11 owners' rental rights; providing certain voting and  
12 approval criteria for amendments depriving owners of  
13 certain rights; amending s. 718.112, F.S.; requiring super  
14 majority votes to reduce certain required reserves;  
15 creating s. 718.1125, F.S.; imposing eligibility  
16 restrictions on association members; amending s. 718.116,  
17 F.S.; increasing percentage of mortgage debt used as a  
18 limit on liability in certain foreclosure actions;  
19 requiring notice of intent to record a claim of lien;  
20 designating liens inoperative and unenforceable if  
21 requirements are not fulfilled; changing priority of  
22 claims to which payments for delinquent assessments are  
23 made; providing that certain late fees and interest shall

24 | not be the sole basis for a lien; providing limitations on  
25 | recording a claim of lien; providing criminal penalties  
26 | for willful and malicious imposition, enforcement, or  
27 | overvaluation of a lien; requiring a super majority board  
28 | approval for excess funds from a special assessment to be  
29 | credited against future assessments; creating s. 718.130,  
30 | F.S.; providing a limitation on certain attorney's fees;  
31 | amending s. 718.3025, F.S.; requiring additional  
32 | disclosures for contract validity or enforceability;  
33 | providing that certain business entities may be contracted  
34 | by the association to provide certain services if approved  
35 | by a majority of all unit owners; amending s. 718.3026,  
36 | F.S.; deleting a provision authorizing associations with  
37 | fewer than 100 units to opt out of certain products and  
38 | services contracting requirements; lowering a threshold  
39 | percentage to require competitive bidding; requiring a  
40 | minimum number of bids; specifying nonapplication to  
41 | certain contracts; amending s. 718.501, F.S.; requiring  
42 | mandatory training for certain board members; creating s.  
43 | 718.5011, F.S.; creating an Office of the Condominium  
44 | Ombudsman within the Division of Florida Land Sales,  
45 | Condominiums, and Mobile Homes; providing for the office's  
46 | independence from the division; authorizing the Joint  
47 | Legislative Auditing Committee to appoint the ombudsman;  
48 | requiring the ombudsman to be an attorney; providing for  
49 | the filling of a vacant ombudsman position; requiring the  
50 | ombudsman and staff to subscribe to the oath of office  
51 | required of state officers; prohibiting the ombudsman and

52 | staff from engaging in any other profession, serving as a  
 53 | representative or employee of any political party, or  
 54 | receiving remuneration for activities on behalf of  
 55 | political candidates; prohibiting the ombudsman and staff  
 56 | from seeking public office unless resigned from the Office  
 57 | of the Condominium Ombudsman; providing requirements and  
 58 | limitations for office staff; creating s. 718.5012, F.S.;  
 59 | providing for powers and duties of the ombudsman; creating  
 60 | s. 718.5013, F.S.; providing for compensation and expenses  
 61 | for the office; authorizing the ombudsman to employ  
 62 | clerical and technical assistants for certain purposes;  
 63 | creating s. 718.5014, F.S.; providing for the location of  
 64 | the ombudsman's office; creating s. 718.5015, F.S.;  
 65 | creating the Advisory Council on Condominiums; providing  
 66 | for membership, functions, meetings, and offices of the  
 67 | council; amending s. 718.504, F.S.; revising provisions  
 68 | relating to certain prospectus and offering circulars;  
 69 | requiring developers of certain condominiums to provide a  
 70 | prospectus including a "Frequently Asked Questions and  
 71 | Answers" document; requiring the document to contain  
 72 | certain information; reducing the threshold amount to be  
 73 | required to be disclosed in controversy for litigation;  
 74 | requiring certain information to be included in the  
 75 | prospectus or offering circular; providing for a type two  
 76 | transfer of all records, personnel, property, and  
 77 | unexpended balances of appropriations, allocations, or  
 78 | other funds for the administration of pt. VIII of ch. 468,  
 79 | F.S., from the Division of Professions to the Division of

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80 Florida Land Sales, Condominiums, and Mobile Homes within  
 81 the Department of Business and Professional Regulation;  
 82 preserving the department's authority to pursue certain  
 83 remedies; creating s. 718.510, F.S.; requiring the  
 84 creation of a Condominium Owners' Bill of Rights;  
 85 providing an effective date.

86

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

88

89 Section 1. Subsections (18) through (30) of section  
 90 718.103, Florida Statutes, are renumbered as subsections (19)  
 91 through (31), respectively, and a new subsection (18) is added  
 92 to said section, to read:

93 718.103 Definitions.--As used in this chapter, the term:  
 94 (18) "Immediate family member" means a parent, child,  
 95 spouse, sibling, grandparent, grandchild, uncle, aunt, niece,  
 96 nephew, great-uncle, great-aunt, great-nephew, great-niece,  
 97 first cousin, or second cousin by blood, marriage, or adoption  
 98 and includes half and step relatives.

99 Section 2. Subsection (13) is added to section 718.110,  
 100 Florida Statutes, to read:

101 718.110 Amendment of declaration; correction of error or  
 102 omission in declaration by circuit court; grandfathering and  
 103 modification of certain rights.--

104 (13)(a) Unless expressly stated in the amendment, any  
 105 amendment restricting unit owners' rights relating to the rental  
 106 of units, keeping of pets, or allocation of parking spaces shall

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107 apply only to unit owners who purchase their unit after the  
 108 effective date of that amendment.

109 (b) Notwithstanding any other provision of law, or of the  
 110 declaration or bylaws, if an amendment expressly deprives  
 111 current unit owners of any part of their rights mentioned in  
 112 subsection (a), it must be approved by at least three-fourths of  
 113 the voting interests. A declaration or an amendment to a  
 114 declaration may provide for a higher super majority vote  
 115 requirement.

116 Section 3. Paragraph (f) of subsection (2) of section  
 117 718.112, Florida Statutes, is amended to read:

118 718.112 Bylaws.--

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

122 (f) Annual budget.--

123 1. The proposed annual budget of common expenses shall be  
 124 detailed and shall show the amounts budgeted by accounts and  
 125 expense classifications, including, if applicable, but not  
 126 limited to, those expenses listed in s. 718.504(21). A  
 127 multicondominium association shall adopt a separate budget of  
 128 common expenses for each condominium the association operates  
 129 and shall adopt a separate budget of common expenses for the  
 130 association. In addition, if the association maintains limited  
 131 common elements with the cost to be shared only by those  
 132 entitled to use the limited common elements as provided for in  
 133 s. 718.113(1), the budget or a schedule attached thereto shall  
 134 show amounts budgeted therefor. If, after turnover of control of

135 | the association to the unit owners, any of the expenses listed  
 136 | in s. 718.504(21) are not applicable, they need not be listed.

137 |         2. In addition to annual operating expenses, the budget  
 138 | shall include reserve accounts for capital expenditures and  
 139 | deferred maintenance. These accounts shall include, but are not  
 140 | limited to, roof replacement, building painting, and pavement  
 141 | resurfacing, regardless of the amount of deferred maintenance  
 142 | expense or replacement cost, and for any other item for which  
 143 | the deferred maintenance expense or replacement cost exceeds  
 144 | \$10,000. The amount to be reserved shall be computed by means of  
 145 | a formula which is based upon estimated remaining useful life  
 146 | and estimated replacement cost or deferred maintenance expense  
 147 | of each reserve item. The association may adjust replacement  
 148 | reserve assessments annually to take into account any changes in  
 149 | estimates or extension of the useful life of a reserve item  
 150 | caused by deferred maintenance. This subsection does not apply  
 151 | to an adopted budget in which the members of an association have  
 152 | determined, by a two-thirds ~~majority~~ vote at a duly called  
 153 | meeting of the association, to provide no reserves or less  
 154 | reserves than required by this subsection. However, prior to  
 155 | turnover of control of an association by a developer to unit  
 156 | owners other than a developer pursuant to s. 718.301, the  
 157 | developer may vote to waive the reserves or reduce the funding  
 158 | of reserves for the first 2 fiscal years of the association's  
 159 | operation, beginning with the fiscal year in which the initial  
 160 | declaration is recorded, after which time reserves may be waived  
 161 | or reduced only upon the vote of a majority of all nondeveloper  
 162 | voting interests voting in person or by limited proxy at a duly

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163 called meeting of the association. If a meeting of the unit  
164 owners has been called to determine whether to waive or reduce  
165 the funding of reserves, and no such result is achieved or a  
166 quorum is not attained, the reserves as included in the budget  
167 shall go into effect. After the turnover, the developer may vote  
168 its voting interest to waive or reduce the funding of reserves.

169 3. Reserve funds and any interest accruing thereon shall  
170 remain in the reserve account or accounts, and shall be used  
171 only for authorized reserve expenditures unless their use for  
172 other purposes is approved in advance by a majority vote at a  
173 duly called meeting of the association. Prior to turnover of  
174 control of an association by a developer to unit owners other  
175 than the developer pursuant to s. 718.301, the developer-  
176 controlled association shall not vote to use reserves for  
177 purposes other than that for which they were intended without  
178 the approval of a majority of all nondeveloper voting interests,  
179 voting in person or by limited proxy at a duly called meeting of  
180 the association.

181 4. In a multicondominium association, the only voting  
182 interests which are eligible to vote on questions that involve  
183 waiving or reducing the funding of reserves, or using existing  
184 reserve funds for purposes other than purposes for which the  
185 reserves were intended, are the voting interests of the units  
186 subject to assessment to fund the reserves in question.

187 Section 4. Section 718.1125, Florida Statutes, is created  
188 to read:

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189        718.1125 Board eligibility restrictions.--Notwithstanding  
 190 any provision of the declaration or bylaws, no one may serve on  
 191 the board of the same association:

192        (1) Alongside an immediate family member who is also on  
 193 that board, except if approved by a majority of the present unit  
 194 owners voting. If this subsection is violated, the later-elected  
 195 immediate family member's election shall be deemed void. Good-  
 196 faith ignorance of such a relationship shall prevent the  
 197 operation of this subsection, but only until such a relationship  
 198 is discovered.

199        (2) Unless actually resident in the condominium for at  
 200 least 3 months out of the year prior to the annual meeting at  
 201 which he or she was elected.

202        Section 5. Paragraphs (b) and (c) of subsection (1),  
 203 subsection (3), paragraphs (a) and (b) of subsection (5),  
 204 paragraph (b) of subsection (6), and subsection (10) of section  
 205 718.116, Florida Statutes, are amended, and paragraph (e) is  
 206 added to subsection (6) of said section, to read:

207        718.116 Assessments; liability; lien and priority;  
 208 interest; collection.--

209        (1)

210        (b) The liability of a first mortgagee or its successor or  
 211 assignees who acquire title to a unit by foreclosure or by deed  
 212 in lieu of foreclosure for the unpaid assessments that became  
 213 due prior to the mortgagee's acquisition of title is limited to  
 214 the lesser of:

215        1. The unit's unpaid common expenses and regular periodic  
 216 assessments which accrued or came due during the 6 months



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217 immediately preceding the acquisition of title and for which  
 218 payment in full has not been received by the association; or  
 219 2. Five ~~One~~ percent of the original mortgage debt. The  
 220 provisions of this paragraph apply only if the first mortgagee  
 221 joined the association as a defendant in the foreclosure action.  
 222 Joinder of the association is not required if, on the date the  
 223 complaint is filed, the association was dissolved or did not  
 224 maintain an office or agent for service of process at a location  
 225 which was known to or reasonably discoverable by the mortgagee.  
 226 (c) The person acquiring title shall pay the amount owed  
 227 to the association within 30 days after transfer of title.  
 228 Failure to pay the full amount when due shall entitle the  
 229 association to record a claim of lien against the parcel and  
 230 proceed in the same manner as provided in this section for the  
 231 collection of unpaid assessments. Such a lien may not be  
 232 recorded until 30 days after the association posts notice by  
 233 certified mail to the person acquiring title of its intent to  
 234 record the lien.  
 235 (3) Assessments and installments on them which are not  
 236 paid when due bear interest at the rate provided in the  
 237 declaration, from the due date until paid. This rate may not  
 238 exceed the rate allowed by law, and, if no rate is provided in  
 239 the declaration, interest shall accrue at the rate of 18 percent  
 240 per year. Also, if the declaration or bylaws so provide, the  
 241 association may charge an administrative late fee in addition to  
 242 such interest, in an amount not to exceed the greater of \$25 or  
 243 5 percent of each installment of the assessment for each  
 244 delinquent installment that the payment is late. Any payment

245 received by an association shall be applied first to the  
 246 delinquent assessment, then to any costs and reasonable  
 247 attorney's fees incurred in collection, then to any interest  
 248 accrued by the association, and then to any administrative late  
 249 ~~fee, then to any costs and reasonable attorney's fees incurred~~  
 250 ~~in collection, and then to the delinquent assessment.~~ The  
 251 foregoing shall be applicable notwithstanding any restrictive  
 252 endorsement, designation, or instruction placed on or  
 253 accompanying a payment. A late fee shall not be subject to the  
 254 provisions in chapter 687 or s. 718.303(3).

255 (5)(a) The association has a lien on each condominium  
 256 parcel to secure the payment of assessments. No administrative  
 257 late fee or interest shall be the sole basis for a lien. Except  
 258 as otherwise provided in subsection (1) and as set forth below,  
 259 the lien is effective from and shall relate back to the  
 260 recording of the original declaration of condominium, or, in the  
 261 case of lien on a parcel located in a phase condominium, the  
 262 last to occur of the recording of the original declaration or  
 263 amendment thereto creating the parcel. However, as to first  
 264 mortgages of record, the lien is effective from and after  
 265 recording of a claim of lien in the public records of the county  
 266 in which the condominium parcel is located. Nothing in this  
 267 subsection shall be construed to bestow upon any lien, mortgage,  
 268 or certified judgment of record on April 1, 1992, including the  
 269 lien for unpaid assessments created herein, a priority which, by  
 270 law, the lien, mortgage, or judgment did not have before that  
 271 date.

272 (b) To be valid, a claim of lien must state the  
 273 description of the condominium parcel, the name of the record  
 274 owner, the name and address of the association, the amount due,  
 275 and the due dates. It must be executed and acknowledged by an  
 276 officer or authorized agent of the association. The claim of  
 277 lien may not be recorded until 30 days after the association  
 278 posts notice of its intent to record the claim by certified or  
 279 registered mail to the record owner or delivers such notice to  
 280 the record owner by hand. Failure to comply with this  
 281 requirement renders the claim of lien inoperative and  
 282 unenforceable until compliance. No such lien shall be effective  
 283 longer than 1 year after the claim of lien was recorded unless,  
 284 within that time, an action to enforce the lien is commenced.  
 285 The 1-year period shall automatically be extended for any length  
 286 of time during which the association is prevented from filing a  
 287 foreclosure action by an automatic stay resulting from a  
 288 bankruptcy petition filed by the parcel owner or any other  
 289 person claiming an interest in the parcel. The claim of lien  
 290 shall secure all unpaid assessments which are due and which may  
 291 accrue subsequent to the recording of the claim of lien and  
 292 prior to the entry of a certificate of title, as well as  
 293 interest and all reasonable costs and attorney's fees incurred  
 294 by the association incident to the collection process. Upon  
 295 payment in full, the person making the payment is entitled to a  
 296 satisfaction of the lien.

297 (6)

298 (b) No foreclosure judgment may be entered until at least  
 299 30 days after the association gives written notice to the unit

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300 owner of its intention to foreclose its lien to collect the  
 301 unpaid assessments. If this notice is not given at least 30 days  
 302 before the foreclosure action is filed, and if the unpaid  
 303 assessments, including those coming due after the claim of lien  
 304 is recorded, are paid before the entry of a final judgment of  
 305 foreclosure or money judgment, the association shall not recover  
 306 attorney's fees or costs. The notice must be given by delivery  
 307 of a copy of it to the unit owner or by certified or registered  
 308 mail, return receipt requested, addressed to the unit owner at  
 309 his or her last known address; and, upon such mailing, the  
 310 notice shall be deemed to have been given, and the court shall  
 311 proceed with the foreclosure action and may award attorney's  
 312 fees and costs as permitted by law. The notice requirements of  
 313 this subsection are satisfied if the unit owner records a notice  
 314 of contest of lien as provided in subsection (5). The notice  
 315 requirements of this subsection do not apply if an action to  
 316 foreclose a mortgage on the condominium unit is pending before  
 317 any court; if the rights of the association would be affected by  
 318 such foreclosure; and if actual, constructive, or substitute  
 319 service of process has been made on the unit owner.

320 (e) A board member or officer of an association, or his or  
 321 her immediate family member, who willfully and maliciously acts  
 322 to impose, enforce, or increase the overall value of a lien for  
 323 the payment of assessments with the intent to purchase or assist  
 324 in the purchase of a condominium unit at foreclosure commits a  
 325 misdemeanor of the first degree, punishable as provided in s.  
 326 775.082 or s. 775.083.

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327 (10) The specific purpose or purposes of any special  
 328 assessment approved in accordance with the condominium documents  
 329 shall be set forth in a written notice of such assessment sent  
 330 or delivered to each unit owner. The funds collected pursuant to  
 331 a special assessment shall be used only for the specific purpose  
 332 or purposes set forth in such notice. However, upon completion  
 333 of such specific purpose or purposes, any excess funds will be  
 334 considered common surplus, and may, ~~at the discretion of the~~  
 335 ~~board,~~ either be returned to the unit owners or, upon approval  
 336 of two-thirds of the board, be applied as a credit toward future  
 337 assessments.

338 Section 6. Section 718.130, Florida Statutes, is created  
 339 to read:

340 718.130 Limitation on attorney's fees.--Notwithstanding  
 341 any other provision of law, an attorney may not charge in excess  
 342 of \$75 per letter for correspondence, collection efforts,  
 343 litigation, or other business arising under this chapter.

344 Section 7. Paragraph (e) of subsection (1) of section  
 345 718.3025, Florida Statutes, is amended, subsection (4) of said  
 346 section is renumbered as subsection (5), and a new subsection  
 347 (4) is added to said section, to read:

348 718.3025 Agreements for operation, maintenance, or  
 349 management of condominiums; specific requirements.--

350 (1) No written contract between a party contracting to  
 351 provide maintenance or management services and an association  
 352 which contract provides for operation, maintenance, or  
 353 management of a condominium association or property serving the

354 unit owners of a condominium shall be valid or enforceable  
355 unless the contract:

356 (e) Discloses any financial or ownership interest which  
357 the developer, if the developer is in control of the  
358 association, any officer of the association, or any member of  
359 the board holds with regard to the party contracting to provide  
360 maintenance or management services.

361 (4) A business entity of whom an association's board  
362 member or officer or his or her immediate family member is an  
363 employee, or in which an association's board member or officer  
364 or any or all of his or her immediate family members together  
365 hold an ownership interest of 10 percent or more, may be  
366 contracted to provide maintenance or management services to that  
367 association only if approved by a majority of all unit owners. A  
368 contract in violation of this subsection shall be void.

369 Section 8. Section 718.3026, Florida Statutes, is amended  
370 to read:

371 718.3026 Contracts for products and services; in writing;  
372 bids; exceptions.--~~Associations with less than 100 units may opt~~  
373 ~~out of the provisions of this section if two-thirds of the unit~~  
374 ~~owners vote to do so, which opt-out may be accomplished by a~~  
375 ~~proxy specifically setting forth the exception from this~~  
376 ~~section.~~

377 (1) All contracts as further described herein or any  
378 contract that is not to be fully performed within 1 year after  
379 the making thereof, for the purchase, lease, or renting of  
380 materials or equipment to be used by the association in  
381 accomplishing its purposes under this chapter, and all contracts

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382 for the provision of services, shall be in writing. If a  
 383 contract for the purchase, lease, or renting of materials or  
 384 equipment, or for the provision of services, requires payment by  
 385 the association on behalf of any condominium operated by the  
 386 association in the aggregate that exceeds 2.5 5 percent of the  
 387 total annual budget of the association, including reserves, the  
 388 association shall obtain no fewer than three competitive bids  
 389 for the materials, equipment, or services. Nothing contained  
 390 herein shall be construed to require the association to accept  
 391 the lowest bid.

392 (2)(a)1. Notwithstanding the foregoing, contracts with  
 393 employees of the association, ~~and contracts for attorney,~~  
 394 ~~accountant, architect, community association manager, timeshare~~  
 395 ~~management firm, engineering, and landscape architect services~~  
 396 are not subject to the provisions of this section.

397 2. A contract executed before January 1, 1992, and any  
 398 renewal thereof, is not subject to the competitive bid  
 399 requirements of this section. If a contract was awarded under  
 400 the competitive bid procedures of this section, any renewal of  
 401 that contract is not subject to such competitive bid  
 402 requirements if the contract contains a provision that allows  
 403 the board to cancel the contract on 30 days' notice. Materials,  
 404 equipment, or services provided to a condominium under a local  
 405 government franchise agreement by a franchise holder are not  
 406 subject to the competitive bid requirements of this section. A  
 407 contract with a manager, if made by a competitive bid, may be  
 408 made for up to 3 years. A condominium whose declaration or  
 409 bylaws provides for competitive bidding for services may operate

410 under the provisions of that declaration or bylaws in lieu of  
411 this section if those provisions are not less stringent than the  
412 requirements of this section.

413 (b) Nothing contained herein is intended to limit the  
414 ability of an association to obtain needed products and services  
415 in an emergency.

416 (c) This section shall not apply if the business entity  
417 with which the association desires to enter into a contract is  
418 the only source of supply within the county serving the  
419 association.

420 (d) Nothing contained herein shall excuse a party  
421 contracting to provide maintenance or management services from  
422 compliance with s. 718.3025.

423 Section 9. Paragraph (j) of subsection (1) of section  
424 718.501, Florida Statutes, is amended to read:

425 718.501 Powers and duties of Division of Florida Land  
426 Sales, Condominiums, and Mobile Homes.--

427 (1) The Division of Florida Land Sales, Condominiums, and  
428 Mobile Homes of the Department of Business and Professional  
429 Regulation, referred to as the "division" in this part, in  
430 addition to other powers and duties prescribed by chapter 498,  
431 has the power to enforce and ensure compliance with the  
432 provisions of this chapter and rules promulgated pursuant hereto  
433 relating to the development, construction, sale, lease,  
434 ownership, operation, and management of residential condominium  
435 units. In performing its duties, the division has the following  
436 powers and duties:



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437 (j) The division shall provide training programs for  
 438 condominium association board members and unit owners. Training  
 439 shall be mandatory for newly elected board members and for  
 440 members currently serving on a board who have not previously  
 441 attended training.

442 Section 10. Section 718.5011, Florida Statutes, is created  
 443 to read:

444 718.5011 Ombudsman; appointment; oath; restrictions on  
 445 ombudsman and his or her employees.--

446 (1) There is created an Office of the Condominium  
 447 Ombudsman that for administrative purposes shall be located  
 448 within the Division of Florida Land Sales, Condominiums, and  
 449 Mobile Homes. However, the office shall be independent of the  
 450 division.

451 (2) The Joint Legislative Auditing Committee shall appoint  
 452 an ombudsman by majority vote of the members of that committee.  
 453 The ombudsman shall be an attorney admitted to practice before  
 454 the Florida Supreme Court and shall serve at the pleasure of the  
 455 Joint Legislative Auditing Committee. Vacancies in the office  
 456 shall be filled in the same manner as the original appointment.  
 457 The ombudsman and attorneys under his staff shall take and  
 458 subscribe to the oath of office required of state officers by  
 459 the State Constitution. No officer or full-time employee of the  
 460 ombudsman's office shall actively engage in any other business  
 461 or profession; serve as the representative of any political  
 462 party, executive committee, or other governing body thereof;  
 463 serve as an executive, officer, or employee of any political  
 464 party, committee, organization, or association; receive

465 remuneration for activities on behalf of any candidate for  
 466 public office; or engage on behalf of any candidate for public  
 467 office in the solicitation of votes or other activities on  
 468 behalf of such candidacy. Neither the ombudsman nor any employee  
 469 of his or her office shall become a candidate for election to  
 470 public office unless he or she first resigns from his or her  
 471 office or employment.

472 Section 11. Section 718.5012, Florida Statutes, is created  
 473 to read:

474 718.5012 Ombudsman; powers and duties.--The ombudsman  
 475 shall have such powers as are necessary to carry out the duties  
 476 of his or her office, including, but not limited to, the  
 477 following specific powers:

478 (1) To have access to and use of all files and records of  
 479 the division and of all condominium associations, by subpoena if  
 480 necessary.

481 (2) To conduct onsite inspections of condominiums,  
 482 including surprise inspections in accordance with rules  
 483 providing for such inspections.

484 (3) To prepare and issue reports, recommendations, and  
 485 proposed orders to the division, the Governor, the Advisory  
 486 Council on Condominiums, the President of the Senate, the  
 487 Speaker of the House of Representatives, and minority leaders of  
 488 the Senate and the House of Representatives on any matter or  
 489 subject within the jurisdiction of the division, and to make  
 490 such recommendations as he or she deems appropriate for  
 491 legislation relative to division procedures, rules,  
 492 jurisdiction, personnel, and functions.

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493       (4) To act as liaison between the division and unit  
494 owners, and to assist any unit owner in the preparation and  
495 filing of a complaint to be investigated by the division. The  
496 ombudsman shall establish procedures for receiving complaints.  
497 Any complaint deemed valid by the ombudsman and properly falling  
498 within the jurisdiction of the division and requiring remedial  
499 action shall be identified and promptly filed with the division.  
500 Upon the concurrence of the division, the ombudsman shall  
501 establish target dates for concluding an investigation and for  
502 taking appropriate specified remedial action. The ombudsman may  
503 recommend that the division initiate enforcement proceedings in  
504 accordance with chapter 120. The department and the ombudsman  
505 may take findings of a criminal nature and submit them as  
506 evidence to the state attorney's office and work with such  
507 office to bring charges against the alleged parties involved.

508       (5) To monitor, investigate, and review condominium  
509 elections and meetings. In addition, the ombudsman shall:

510       (a) Prove to the division, by clear and convincing  
511 evidence, that a member of a condominium board has attempted,  
512 engaged in, conspired to engage in, or willfully and knowingly  
513 benefited from electoral fraud in order for the division to  
514 order such member removed from office. Such an order of removal  
515 shall also prohibit such member from running for election to any  
516 office of the condominium board in the state for 4 years. If any  
517 person is so removed from office twice, such person shall be  
518 barred for life from serving on a condominium board. Factual  
519 findings forming the basis for an order of removal shall be  
520 subject to judicial review only for abuse of discretion.

521        (b) Jointly, with the division, adopt rules governing  
 522 removal proceedings. Such rules shall, at a minimum, provide the  
 523 accused board member with adequate notice, opportunity to be  
 524 heard, the right to confront and cross-examine witnesses, the  
 525 right to submit rebuttal evidence, and the right to counsel.

526  
 527 Neither this subsection nor rules adopted to implement it shall  
 528 be construed to require provision of counsel or witnesses, or  
 529 other assistance, at public expense.

530        (6) To resolve disputes among unit owners by ordering  
 531 mediation or arbitration in the same manner as the division.

532        (7) To make recommendations to the division for changes in  
 533 rules and procedures for the filing, investigation, and  
 534 resolution of complaints filed by unit owners.

535        Section 12. Section 718.5013, Florida Statutes, is created  
 536 to read:

537        718.5013 Ombudsman; compensation and expenses.--

538        (1) All costs and expenses incurred by the Office of the  
 539 Condominium Ombudsman shall be paid from disbursements from the  
 540 Division of Florida Land Sales, Condominiums, and Mobile Homes  
 541 Trust Fund and shall require approval of the Joint Legislative  
 542 Auditing Committee.

543        (2) The Joint Legislative Auditing Committee may authorize  
 544 the ombudsman to employ clerical and technical assistants whose  
 545 qualifications, duties, and responsibilities the committee shall  
 546 from time to time prescribe, and to enter into such contracts as  
 547 necessary. The committee may authorize retention of the services  
 548 of additional attorneys or experts to the extent that the best

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549 interests of the people of the state will be better served  
 550 thereby, including the retention of expert witnesses and other  
 551 technical personnel for participation in contested proceedings  
 552 before the division.

553 Section 13. Section 718.5014, Florida Statutes, is created  
 554 to read:

555 718.5014 Ombudsman; location.--The ombudsman shall  
 556 maintain his or her principal office in Leon County on the  
 557 premises of the division or, if suitable space cannot be  
 558 provided there, at such other place convenient to the offices of  
 559 the division as will enable the ombudsman to expeditiously carry  
 560 out the duties and functions of his or her office. The ombudsman  
 561 may establish branch offices upon the concurrence of the Joint  
 562 Legislative Auditing Committee

563 Section 14. Section 718.5015, Florida Statutes, is created  
 564 to read:

565 718.5015 Advisory council; membership functions.--  
 566 (1) There is created the Advisory Council on Condominiums.  
 567 The council shall consist of seven members. Two members shall be  
 568 appointed by the Speaker of the House of Representatives, two  
 569 members shall be appointed by the President of the Senate, and  
 570 three members shall be appointed by the Governor. At least one  
 571 member shall represent timeshare condominiums. Members shall be  
 572 appointed to 2-year terms; however, of the initial appointments,  
 573 one of the members appointed by each of the Governor, the  
 574 Speaker of the House of Representatives, and the President of  
 575 the Senate shall be appointed to 1-year terms. In addition to  
 576 these appointed members, the director of the Division of Florida

577 Land Sales, Condominiums, and Mobile Homes shall serve as an ex  
 578 officio member of the council. It is the intent of the  
 579 Legislature that the persons appointed to this council represent  
 580 a cross-section of persons interested in condominium issues. For  
 581 administrative purposes, the council shall be located in the  
 582 Division of Florida Land Sales, Condominiums, and Mobile Homes  
 583 of the Department of Business and Professional Regulation.  
 584 Members of the council shall serve without compensation, but  
 585 shall be entitled to receive per diem and travel expenses  
 586 pursuant to s. 112.061 while on official business.

587 (2) The functions of the advisory council shall be to:

588 (a) Receive input from the public regarding issues of  
 589 concern with respect to condominiums and to receive  
 590 recommendations for any changes to be made in the condominium  
 591 law. The issues that the council shall consider shall include,  
 592 but shall not be limited to, the rights and responsibilities of  
 593 the unit owners in relation to the rights and responsibilities  
 594 of the association.

595 (b) Review, evaluate, and advise the division concerning  
 596 revisions and adoption of rules affecting condominiums.

597 (c) Recommend improvements, if needed, in the education  
 598 programs offered by the division.

599 (3) The council is authorized to elect a chair and vice  
 600 chair and such other offices as it may deem advisable. The  
 601 council shall meet at the call of its chair, at the request of a  
 602 majority of its membership, at the request of the division, or  
 603 at such times as may be prescribed by its rules. A majority of  
 604 the members of the council shall constitute a quorum for the

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605 transaction of all business and the carrying out of the duties  
606 of the council.

607 Section 15. Section 718.504, Florida Statutes, is amended  
608 to read:

609 718.504 Prospectus or offering circular; "Frequently Asked  
610 Questions and Answers".--Every developer of a residential  
611 condominium which contains more than 20 residential units, or  
612 which is part of a group of residential condominiums which will  
613 be served by property to be used in common by unit owners of  
614 more than 20 residential units, shall prepare a prospectus or  
615 offering circular and file it with the Division of Florida Land  
616 Sales, Condominiums, and Mobile Homes prior to entering into an  
617 enforceable contract of purchase and sale of any unit or lease  
618 of a unit for more than 5 years and shall furnish a copy of the  
619 prospectus or offering circular to each buyer. In addition to  
620 the prospectus or offering circular, any prospective ~~each~~ buyer  
621 from the developer or a current unit owner shall be furnished a  
622 separate document ~~page~~ entitled "Frequently Asked Questions and  
623 Answers," which shall be in accordance with a format approved by  
624 the division and a copy of the financial information required by  
625 s. 718.111. This document ~~page~~ shall, in readable language,  
626 inform prospective purchasers regarding their voting rights and  
627 unit use restrictions, including restrictions on the leasing of  
628 a unit; shall indicate whether and in what amount the unit  
629 owners or the association is obligated to pay rent or land use  
630 fees for recreational or other commonly used facilities; shall  
631 contain a statement identifying that amount of assessment which,  
632 pursuant to the budget, would be levied upon each unit type,

633 exclusive of any special assessments, and which shall further  
 634 identify the basis upon which assessments are levied, whether  
 635 monthly, quarterly, or otherwise; shall state and identify any  
 636 court cases in which the association is currently a party of  
 637 record in which the association may face liability ~~in excess of~~  
 638 \$25,000 or more ~~\$100,000~~; and which shall further state whether  
 639 membership in a recreational facilities association is  
 640 mandatory, and if so, shall identify the fees currently charged  
 641 per unit type. The division shall by rule require such other  
 642 disclosure as in its judgment will assist prospective  
 643 purchasers. The prospectus or offering circular may include more  
 644 than one condominium, although not all such units are being  
 645 offered for sale as of the date of the prospectus or offering  
 646 circular. The prospectus or offering circular must contain the  
 647 following information:

648 (1) The front cover or the first page must contain only:

649 (a) The name of the condominium.

650 (b) The following statements in conspicuous type:

651 1. THIS PROSPECTUS (OFFERING CIRCULAR) CONTAINS IMPORTANT  
 652 MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM UNIT.

653 2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN  
 654 NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES,  
 655 ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS, AND SALES  
 656 MATERIALS.

657 3. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY  
 658 STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER TO THIS  
 659 PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR CORRECT  
 660 REPRESENTATIONS.



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661 (2) Summary: The next page must contain all statements  
662 required to be in conspicuous type in the prospectus or offering  
663 circular.

664 (3) A separate index of the contents and exhibits of the  
665 prospectus.

666 (4) Beginning on the first page of the text (not including  
667 the summary and index), a description of the condominium,  
668 including, but not limited to, the following information:

669 (a) Its name and location.

670 (b) A description of the condominium property, including,  
671 without limitation:

672 1. The number of buildings, the number of units in each  
673 building, the number of bathrooms and bedrooms in each unit, and  
674 the total number of units, if the condominium is not a phase  
675 condominium, or the maximum number of buildings that may be  
676 contained within the condominium, the minimum and maximum  
677 numbers of units in each building, the minimum and maximum  
678 numbers of bathrooms and bedrooms that may be contained in each  
679 unit, and the maximum number of units that may be contained  
680 within the condominium, if the condominium is a phase  
681 condominium.

682 2. The page in the condominium documents where a copy of  
683 the plot plan and survey of the condominium is located.

684 3. The estimated latest date of completion of  
685 constructing, finishing, and equipping. In lieu of a date, the  
686 description shall include a statement that the estimated date of  
687 completion of the condominium is in the purchase agreement and a

688 reference to the article or paragraph containing that  
689 information.

690 (c) The maximum number of units that will use facilities  
691 in common with the condominium. If the maximum number of units  
692 will vary, a description of the basis for variation and the  
693 minimum amount of dollars per unit to be spent for additional  
694 recreational facilities or enlargement of such facilities. If  
695 the addition or enlargement of facilities will result in a  
696 material increase of a unit owner's maintenance expense or  
697 rental expense, if any, the maximum increase and limitations  
698 thereon shall be stated.

699 (5)(a) A statement in conspicuous type describing whether  
700 the condominium is created and being sold as fee simple  
701 interests or as leasehold interests. If the condominium is  
702 created or being sold on a leasehold, the location of the lease  
703 in the disclosure materials shall be stated.

704 (b) If timeshare estates are or may be created with  
705 respect to any unit in the condominium, a statement in  
706 conspicuous type stating that timeshare estates are created and  
707 being sold in units in the condominium.

708 (6) A description of the recreational and other commonly  
709 used facilities that will be used only by unit owners of the  
710 condominium, including, but not limited to, the following:

711 (a) Each room and its intended purposes, location,  
712 approximate floor area, and capacity in numbers of people.

713 (b) Each swimming pool, as to its general location,  
714 approximate size and depths, approximate deck size and capacity,  
715 and whether heated.

716 (c) Additional facilities, as to the number of each  
717 facility, its approximate location, approximate size, and  
718 approximate capacity.

719 (d) A general description of the items of personal  
720 property and the approximate number of each item of personal  
721 property that the developer is committing to furnish for each  
722 room or other facility or, in the alternative, a representation  
723 as to the minimum amount of expenditure that will be made to  
724 purchase the personal property for the facility.

725 (e) The estimated date when each room or other facility  
726 will be available for use by the unit owners.

727 (f)1. An identification of each room or other facility to  
728 be used by unit owners that will not be owned by the unit owners  
729 or the association;

730 2. A reference to the location in the disclosure materials  
731 of the lease or other agreements providing for the use of those  
732 facilities; and

733 3. A description of the terms of the lease or other  
734 agreements, including the length of the term; the rent payable,  
735 directly or indirectly, by each unit owner, and the total rent  
736 payable to the lessor, stated in monthly and annual amounts for  
737 the entire term of the lease; and a description of any option to  
738 purchase the property leased under any such lease, including the  
739 time the option may be exercised, the purchase price or how it  
740 is to be determined, the manner of payment, and whether the  
741 option may be exercised for a unit owner's share or only as to  
742 the entire leased property.

743 (g) A statement as to whether the developer may provide  
 744 additional facilities not described above; their general  
 745 locations and types; improvements or changes that may be made;  
 746 the approximate dollar amount to be expended; and the maximum  
 747 additional common expense or cost to the individual unit owners  
 748 that may be charged during the first annual period of operation  
 749 of the modified or added facilities.

750  
 751 Descriptions as to locations, areas, capacities, numbers,  
 752 volumes, or sizes may be stated as approximations or minimums.

753 (7) A description of the recreational and other facilities  
 754 that will be used in common with other condominiums, community  
 755 associations, or planned developments which require the payment  
 756 of the maintenance and expenses of such facilities, either  
 757 directly or indirectly, by the unit owners. The description  
 758 shall include, but not be limited to, the following:

759 (a) Each building and facility committed to be built.

760 (b) Facilities not committed to be built except under  
 761 certain conditions, and a statement of those conditions or  
 762 contingencies.

763 (c) As to each facility committed to be built, or which  
 764 will be committed to be built upon the happening of one of the  
 765 conditions in paragraph (b), a statement of whether it will be  
 766 owned by the unit owners having the use thereof or by an  
 767 association or other entity which will be controlled by them, or  
 768 others, and the location in the exhibits of the lease or other  
 769 document providing for use of those facilities.

770 (d) The year in which each facility will be available for  
 771 use by the unit owners or, in the alternative, the maximum  
 772 number of unit owners in the project at the time each of all of  
 773 the facilities is committed to be completed.

774 (e) A general description of the items of personal  
 775 property, and the approximate number of each item of personal  
 776 property, that the developer is committing to furnish for each  
 777 room or other facility or, in the alternative, a representation  
 778 as to the minimum amount of expenditure that will be made to  
 779 purchase the personal property for the facility.

780 (f) If there are leases, a description thereof, including  
 781 the length of the term, the rent payable, and a description of  
 782 any option to purchase.

783  
 784 Descriptions shall include location, areas, capacities, numbers,  
 785 volumes, or sizes and may be stated as approximations or  
 786 minimums.

787 (8) Recreation lease or associated club membership:

788 (a) If any recreational facilities or other facilities  
 789 offered by the developer and available to, or to be used by,  
 790 unit owners are to be leased or have club membership associated,  
 791 the following statement in conspicuous type shall be included:  
 792 THERE IS A RECREATIONAL FACILITIES LEASE ASSOCIATED WITH THIS  
 793 CONDOMINIUM; or, THERE IS A CLUB MEMBERSHIP ASSOCIATED WITH THIS  
 794 CONDOMINIUM. There shall be a reference to the location in the  
 795 disclosure materials where the recreation lease or club  
 796 membership is described in detail.

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797 (b) If it is mandatory that unit owners pay a fee, rent,  
798 dues, or other charges under a recreational facilities lease or  
799 club membership for the use of facilities, there shall be in  
800 conspicuous type the applicable statement:

801 1. MEMBERSHIP IN THE RECREATIONAL FACILITIES CLUB IS  
802 MANDATORY FOR UNIT OWNERS; or

803 2. UNIT OWNERS ARE REQUIRED, AS A CONDITION OF OWNERSHIP,  
804 TO BE LESSEES UNDER THE RECREATIONAL FACILITIES LEASE; or

805 3. UNIT OWNERS ARE REQUIRED TO PAY THEIR SHARE OF THE  
806 COSTS AND EXPENSES OF MAINTENANCE, MANAGEMENT, UPKEEP,  
807 REPLACEMENT, RENT, AND FEES UNDER THE RECREATIONAL FACILITIES  
808 LEASE (OR THE OTHER INSTRUMENTS PROVIDING THE FACILITIES); or

809 4. A similar statement of the nature of the organization  
810 or the manner in which the use rights are created, and that unit  
811 owners are required to pay.

812  
813 Immediately following the applicable statement, the location in  
814 the disclosure materials where the development is described in  
815 detail shall be stated.

816 (c) If the developer, or any other person other than the  
817 unit owners and other persons having use rights in the  
818 facilities, reserves, or is entitled to receive, any rent, fee,  
819 or other payment for the use of the facilities, then there shall  
820 be the following statement in conspicuous type: THE UNIT OWNERS  
821 OR THE ASSOCIATION(S) MUST PAY RENT OR LAND USE FEES FOR  
822 RECREATIONAL OR OTHER COMMONLY USED FACILITIES. Immediately  
823 following this statement, the location in the disclosure

824 materials where the rent or land use fees are described in  
825 detail shall be stated.

826 (d) If, in any recreation format, whether leasehold, club,  
827 or other, any person other than the association has the right to  
828 a lien on the units to secure the payment of assessments, rent,  
829 or other exactions, there shall appear a statement in  
830 conspicuous type in substantially the following form:

831 1. THERE IS A LIEN OR LIEN RIGHT AGAINST EACH UNIT TO  
832 SECURE THE PAYMENT OF RENT AND OTHER EXACTIONS UNDER THE  
833 RECREATION LEASE. THE UNIT OWNER'S FAILURE TO MAKE THESE  
834 PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN; or

835 2. THERE IS A LIEN OR LIEN RIGHT AGAINST EACH UNIT TO  
836 SECURE THE PAYMENT OF ASSESSMENTS OR OTHER EXACTIONS COMING DUE  
837 FOR THE USE, MAINTENANCE, UPKEEP, OR REPAIR OF THE RECREATIONAL  
838 OR COMMONLY USED FACILITIES. THE UNIT OWNER'S FAILURE TO MAKE  
839 THESE PAYMENTS MAY RESULT IN FORECLOSURE OF THE LIEN.

840  
841 Immediately following the applicable statement, the location in  
842 the disclosure materials where the lien or lien right is  
843 described in detail shall be stated.

844 (9) If the developer or any other person has the right to  
845 increase or add to the recreational facilities at any time after  
846 the establishment of the condominium whose unit owners have use  
847 rights therein, without the consent of the unit owners or  
848 associations being required, there shall appear a statement in  
849 conspicuous type in substantially the following form:  
850 RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT CONSENT  
851 OF UNIT OWNERS OR THE ASSOCIATION(S). Immediately following this

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852 statement, the location in the disclosure materials where such  
853 reserved rights are described shall be stated.

854 (10) A statement of whether the developer's plan includes  
855 a program of leasing units rather than selling them, or leasing  
856 units and selling them subject to such leases. If so, there  
857 shall be a description of the plan, including the number and  
858 identification of the units and the provisions and term of the  
859 proposed leases, and a statement in boldfaced type that: **THE**  
860 **UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE.**

861 (11) The arrangements for management of the association  
862 and maintenance and operation of the condominium property and of  
863 other property that will serve the unit owners of the  
864 condominium property, and a description of the management  
865 contract and all other contracts for these purposes having a  
866 term in excess of 1 year, including the following:

867 (a) The names of contracting parties.

868 (b) The term of the contract.

869 (c) The nature of the services included.

870 (d) The compensation, stated on a monthly and annual  
871 basis, and provisions for increases in the compensation.

872 (e) A reference to the volumes and pages of the  
873 condominium documents and of the exhibits containing copies of  
874 such contracts.

875  
876 Copies of all described contracts shall be attached as exhibits.  
877 If there is a contract for the management of the condominium  
878 property, then a statement in conspicuous type in substantially  
879 the following form shall appear, identifying the proposed or



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880 existing contract manager: THERE IS (IS TO BE) A CONTRACT FOR  
 881 THE MANAGEMENT OF THE CONDOMINIUM PROPERTY WITH (NAME OF THE  
 882 CONTRACT MANAGER). Immediately following this statement, the  
 883 location in the disclosure materials of the contract for  
 884 management of the condominium property shall be stated.

885 (12) If the developer or any other person or persons other  
 886 than the unit owners has the right to retain control of the  
 887 board of administration of the association for a period of time  
 888 which can exceed 1 year after the closing of the sale of a  
 889 majority of the units in that condominium to persons other than  
 890 successors or alternate developers, then a statement in  
 891 conspicuous type in substantially the following form shall be  
 892 included: THE DEVELOPER (OR OTHER PERSON) HAS THE RIGHT TO  
 893 RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE UNITS  
 894 HAVE BEEN SOLD. Immediately following this statement, the  
 895 location in the disclosure materials where this right to control  
 896 is described in detail shall be stated.

897 (13) If there are any restrictions upon the sale,  
 898 transfer, conveyance, or leasing of a unit, then a statement in  
 899 conspicuous type in substantially the following form shall be  
 900 included: THE SALE, LEASE, OR TRANSFER OF UNITS IS RESTRICTED OR  
 901 CONTROLLED. Immediately following this statement, the location  
 902 in the disclosure materials where the restriction, limitation,  
 903 or control on the sale, lease, or transfer of units is described  
 904 in detail shall be stated.

905 (14) If the condominium is part of a phase project, the  
 906 following information shall be stated:

907 (a) A statement in conspicuous type in substantially the  
 908 following form: THIS IS A PHASE CONDOMINIUM. ADDITIONAL LAND AND  
 909 UNITS MAY BE ADDED TO THIS CONDOMINIUM. Immediately following  
 910 this statement, the location in the disclosure materials where  
 911 the phasing is described shall be stated.

912 (b) A summary of the provisions of the declaration which  
 913 provide for the phasing.

914 (c) A statement as to whether or not residential buildings  
 915 and units which are added to the condominium may be  
 916 substantially different from the residential buildings and units  
 917 originally in the condominium. If the added residential  
 918 buildings and units may be substantially different, there shall  
 919 be a general description of the extent to which such added  
 920 residential buildings and units may differ, and a statement in  
 921 conspicuous type in substantially the following form shall be  
 922 included: BUILDINGS AND UNITS WHICH ARE ADDED TO THE CONDOMINIUM  
 923 MAY BE SUBSTANTIALLY DIFFERENT FROM THE OTHER BUILDINGS AND  
 924 UNITS IN THE CONDOMINIUM. Immediately following this statement,  
 925 the location in the disclosure materials where the extent to  
 926 which added residential buildings and units may substantially  
 927 differ is described shall be stated.

928 (d) A statement of the maximum number of buildings  
 929 containing units, the maximum and minimum numbers of units in  
 930 each building, the maximum number of units, and the minimum and  
 931 maximum square footage of the units that may be contained within  
 932 each parcel of land which may be added to the condominium.

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933 (15) If a condominium created on or after July 1, 2000, is  
934 or may become part of a multicondominium, the following  
935 information must be provided:

936 (a) A statement in conspicuous type in substantially the  
937 following form: THIS CONDOMINIUM IS (MAY BE) PART OF A  
938 MULTICONDOMINIUM DEVELOPMENT IN WHICH OTHER CONDOMINIUMS WILL  
939 (MAY) BE OPERATED BY THE SAME ASSOCIATION. Immediately following  
940 this statement, the location in the prospectus or offering  
941 circular and its exhibits where the multicondominium aspects of  
942 the offering are described must be stated.

943 (b) A summary of the provisions in the declaration,  
944 articles of incorporation, and bylaws which establish and  
945 provide for the operation of the multicondominium, including a  
946 statement as to whether unit owners in the condominium will have  
947 the right to use recreational or other facilities located or  
948 planned to be located in other condominiums operated by the same  
949 association, and the manner of sharing the common expenses  
950 related to such facilities.

951 (c) A statement of the minimum and maximum number of  
952 condominiums, and the minimum and maximum number of units in  
953 each of those condominiums, which will or may be operated by the  
954 association, and the latest date by which the exact number will  
955 be finally determined.

956 (d) A statement as to whether any of the condominiums in  
957 the multicondominium may include units intended to be used for  
958 nonresidential purposes and the purpose or purposes permitted  
959 for such use.

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

963 (16) If the condominium is created by conversion of  
964 existing improvements, the following information shall be  
965 stated:

966 (a) The information required by s. 718.616.

967 (b) A caveat that there are no express warranties unless  
968 they are stated in writing by the developer.

969 (17) A summary of the restrictions, if any, to be imposed  
970 on units concerning the use of any of the condominium property,  
971 including statements as to whether there are restrictions upon  
972 children and pets, and reference to the volumes and pages of the  
973 condominium documents where such restrictions are found, or if  
974 such restrictions are contained elsewhere, then a copy of the  
975 documents containing the restrictions shall be attached as an  
976 exhibit.

977 (18) If there is any land that is offered by the developer  
978 for use by the unit owners and that is neither owned by them nor  
979 leased to them, the association, or any entity controlled by  
980 unit owners and other persons having the use rights to such  
981 land, a statement shall be made as to how such land will serve  
982 the condominium. If any part of such land will serve the  
983 condominium, the statement shall describe the land and the  
984 nature and term of service, and the declaration or other  
985 instrument creating such servitude shall be included as an  
986 exhibit.

987 (19) The manner in which utility and other services,  
 988 including, but not limited to, sewage and waste disposal, water  
 989 supply, and storm drainage, will be provided and the person or  
 990 entity furnishing them.

991 (20) An explanation of the manner in which the  
 992 apportionment of common expenses and ownership of the common  
 993 elements has been determined.

994 (21) An estimated operating budget for the condominium and  
 995 the association, and a schedule of the unit owner's expenses  
 996 shall be attached as an exhibit and shall contain the following  
 997 information:

998 (a) The estimated monthly and annual expenses of the  
 999 condominium and the association that are collected from unit  
 1000 owners by assessments.

1001 (b) The estimated monthly and annual expenses of each unit  
 1002 owner for a unit, other than common expenses paid by all unit  
 1003 owners, payable by the unit owner to persons or entities other  
 1004 than the association, as well as to the association, including  
 1005 fees assessed pursuant to s. 718.113(1) for maintenance of  
 1006 limited common elements where such costs are shared only by  
 1007 those entitled to use the limited common element, and the total  
 1008 estimated monthly and annual expense. There may be excluded from  
 1009 this estimate expenses which are not provided for or  
 1010 contemplated by the condominium documents, including, but not  
 1011 limited to, the costs of private telephone; maintenance of the  
 1012 interior of condominium units, which is not the obligation of  
 1013 the association; maid or janitorial services privately  
 1014 contracted for by the unit owners; utility bills billed directly

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1015 | to each unit owner for utility services to his or her unit;  
 1016 | insurance premiums other than those incurred for policies  
 1017 | obtained by the condominium; and similar personal expenses of  
 1018 | the unit owner. A unit owner's estimated payments for  
 1019 | assessments shall also be stated in the estimated amounts for  
 1020 | the times when they will be due.

1021 |       (c) The estimated items of expenses of the condominium and  
 1022 | the association, except as excluded under paragraph (b),  
 1023 | including, but not limited to, the following items, which shall  
 1024 | be stated either as an association expense collectible by  
 1025 | assessments or as unit owners' expenses payable to persons other  
 1026 | than the association:

- 1027 |       1. Expenses for the association and condominium:
- 1028 |       a. Administration of the association.
- 1029 |       b. Management fees.
- 1030 |       c. Maintenance.
- 1031 |       d. Rent for recreational and other commonly used
- 1032 | facilities.
- 1033 |       e. Taxes upon association property.
- 1034 |       f. Taxes upon leased areas.
- 1035 |       g. Insurance.
- 1036 |       h. Security provisions.
- 1037 |       i. Other expenses.
- 1038 |       j. Operating capital.
- 1039 |       k. Reserves.
- 1040 |       1. Fees payable to the division.
- 1041 |       2. Expenses for a unit owner:
- 1042 |       a. Rent for the unit, if subject to a lease.

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1043           b. Rent payable by the unit owner directly to the lessor  
1044 or agent under any recreational lease or lease for the use of  
1045 commonly used facilities, which use and payment is a mandatory  
1046 condition of ownership and is not included in the common expense  
1047 or assessments for common maintenance paid by the unit owners to  
1048 the association.

1049           (d) The estimated amounts shall be stated for a period of  
1050 at least 12 months and may distinguish between the period prior  
1051 to the time unit owners other than the developer elect a  
1052 majority of the board of administration and the period after  
1053 that date.

1054           (22) A schedule of estimated closing expenses to be paid  
1055 by a buyer or lessee of a unit and a statement of whether title  
1056 opinion or title insurance policy is available to the buyer and,  
1057 if so, at whose expense.

1058           (23) The identity of the developer and the chief operating  
1059 officer or principal directing the creation and sale of the  
1060 condominium and a statement of its and his or her experience in  
1061 this field.

1062           (24) Copies of the following, to the extent they are  
1063 applicable, shall be included as exhibits:

1064           (a) The declaration of condominium, or the proposed  
1065 declaration if the declaration has not been recorded.

1066           (b) The articles of incorporation creating the  
1067 association.

1068           (c) The bylaws of the association.

1069           (d) The ground lease or other underlying lease of the  
1070 condominium.

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1071 (e) The management agreement and all maintenance and other  
 1072 contracts for management of the association and operation of the  
 1073 condominium and facilities used by the unit owners having a  
 1074 service term in excess of 1 year.

1075 (f) The estimated operating budget for the condominium and  
 1076 the required schedule of unit owners' expenses.

1077 (g) A copy of the floor plan of the unit and the plot plan  
 1078 showing the location of the residential buildings and the  
 1079 recreation and other common areas.

1080 (h) The lease of recreational and other facilities that  
 1081 will be used only by unit owners of the subject condominium.

1082 (i) The lease of facilities used by owners and others.

1083 (j) The form of unit lease, if the offer is of a  
 1084 leasehold.

1085 (k) A declaration of servitude of properties serving the  
 1086 condominium but not owned by unit owners or leased to them or  
 1087 the association.

1088 (l) The statement of condition of the existing building or  
 1089 buildings, if the offering is of units in an operation being  
 1090 converted to condominium ownership.

1091 (m) The statement of inspection for termite damage and  
 1092 treatment of the existing improvements, if the condominium is a  
 1093 conversion.

1094 (n) The form of agreement for sale or lease of units.

1095 (o) A copy of the agreement for escrow of payments made to  
 1096 the developer prior to closing.

1097 (p) A copy of the documents containing any restrictions on  
 1098 use of the property required by subsection (17).



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1099 (25) Any prospectus or offering circular complying, prior  
1100 to the effective date of this act, with the provisions of former  
1101 ss. 711.69 and 711.802 may continue to be used without amendment  
1102 or may be amended to comply with the provisions of this chapter.

1103 (26) A brief narrative description of the location and  
1104 effect of all existing and intended easements located or to be  
1105 located on the condominium property other than those described  
1106 in the declaration.

1107 (27) If the developer is required by state or local  
1108 authorities to obtain acceptance or approval of any dock or  
1109 marina facilities intended to serve the condominium, a copy of  
1110 any such acceptance or approval acquired by the time of filing  
1111 with the division under s. 718.502(1) or a statement that such  
1112 acceptance or approval has not been acquired or received.

1113 (28) Evidence demonstrating that the developer has an  
1114 ownership, leasehold, or contractual interest in the land upon  
1115 which the condominium is to be developed.

1116 (29) Whether the association is currently a party of  
1117 record in litigation in which the association may face liability  
1118 of \$25,000 or more and, if so, the nature and title of that  
1119 litigation.

1120 Section 16. All of the records, personnel, property, and  
1121 unexpended balances of appropriations, allocations, or other  
1122 funds for the administration of part VIII of chapter 468,  
1123 Florida Statutes, shall be transferred by a type two transfer as  
1124 defined in s. 20.06(2), Florida Statutes, from the Division of  
1125 Professions of the Department of Business and Professional  
1126 Regulation to the Division of Florida Land Sales, Condominiums,

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1127 and Mobile Homes of the Department of Business and Professional  
1128 Regulation.

1129 Section 17. The Department of Business and Professional  
1130 Regulation may continue to prosecute any existing legal  
1131 proceedings and related administrative cases that are in  
1132 existence on the effective date of this act.

1133 Section 18. Section 718.510, Florida Statutes, is created  
1134 to read:

1135 718.510 Condominium Owners' Bill of Rights.--The division  
1136 shall adopt rules to provide for a brochure entitled  
1137 "Condominium Owners' Bill of Rights," which shall explain what  
1138 rights are afforded to condominium owners and potential  
1139 purchasers of condominiums under this chapter. It is the intent  
1140 of the Legislature that this brochure be widely distributed and  
1141 as conveniently available as possible.

1142 Section 19. This act shall take effect upon becoming a  
1143 law.