1 A bill to be entitled 2 An act relating to retrofitting of common areas 3 of condominiums and cooperatives with fire 4 sprinkler systems; amending ss. 718.112 and 5 719.1055, F.S.; revising notification and 6 voting procedures with respect to any vote to forego retrofitting of the common areas of 7 condominiums and cooperatives with fire 8 9 sprinkler systems; amending ss. 718.112, 719.106, F.S.; providing for unit owners or 10 shareholders to petition the Division of 11 Florida Land Sales, Condominiums, and Mobile 12 Homes of the Department of Business and 13 14 Professional Regulation to appoint an election 15 monitor to attend the annual association meeting and conduct the election of directors; 16 17 providing for the adoption of rules; providing an effective date. 18 19 20 Be It Enacted by the Legislature of the State of Florida: 21 22 Section 1. Paragraph (1) of subsection (2) of section 23 718.112, Florida Statutes, is amended to read: 24 718.112 Bylaws.--25 (2) REQUIRED PROVISIONS. -- The bylaws shall provide for 26 the following and, if they do not do so, shall be deemed to 27 include the following: (1) Certificate of compliance. -- There shall be a 28 29 provision that a certificate of compliance from a licensed

electrical contractor or electrician may be accepted by the

association's board as evidence of compliance of the

4

5

6 7

8

10

1112

13 14

15

16 17

18 19

20

2122

23

24

2526

27

2829

30

31

condominium units with the applicable fire and life safety code. Notwithstanding the provisions of chapter 633 or of any other code, statute, ordinance, administrative rule, or regulation, or any interpretation of the foregoing, an association, condominium, or unit owner is not obligated to retrofit the common elements or units of a residential condominium with a fire sprinkler system or other engineered lifesafety system in a building that has been certified for occupancy by the applicable governmental entity, if the unit owners have voted to forego such retrofitting and engineered lifesafety system by the affirmative vote of two-thirds of all voting interests in the affected condominium. However, a condominium association may not vote to forego the retrofitting with a fire sprinkler system of common areas in a high-rise building. For purposes of this subsection, the term "high-rise building" means a building that is greater than 75 feet in height where the building height is measured from the lowest level of fire department access to the floor of the highest occupiable story. For purposes of this subsection, the term "common areas" means any enclosed hallway, corridor, lobby, stairwell, or entryway. In no event shall the local authority having jurisdiction require completion of retrofitting of common areas with a sprinkler system before the end of 2014.

1. A vote to forego retrofitting may not be obtained by general proxy or limited proxy or by a ballot, but shall be obtained by a vote personally cast at a duly called membership meeting, or by execution of a written consent by the member, and shall be effective upon the recording of a certificate attesting to such vote in the public records of the county where the condominium is located. The association shall mail,

hand deliver, or electronically transmit to provide each unit owner written notice at least 14 days prior to such membership meeting, which notice must include a statement that a of the vote to forego retrofitting of the required fire sprinkler system is to take place, in at least 16-point bold type, by certified mail, within 20 days after the association's vote. After such notice is provided to each owner, a copy of such notice shall be provided by the current owner to a new owner prior to closing and shall be provided by a unit owner to a renter prior to signing a lease.

2. As part of the information collected annually from condominiums, the division shall require condominium associations to report the membership vote and recording of a certificate under this subsection and, if retrofitting has been undertaken, the per-unit cost of such work. The division shall annually report to the Division of State Fire Marshal of the Department of Financial Services the number of condominiums that have elected to forego retrofitting.

Section 2. Paragraph (a) of subsection (5) of section 719.1055, Florida Statutes, is amended to read:

719.1055 Amendment of cooperative documents; alteration and acquisition of property.--

of any other code, statute, ordinance, administrative rule, or regulation, or any interpretation of the foregoing, a cooperative or unit owner is not obligated to retrofit the common elements or units of a residential cooperative with a fire sprinkler system or other engineered life safety system in a building that has been certified for occupancy by the applicable governmental entity, if the unit owners have voted to forego such retrofitting and engineered life safety system

4

5

6 7

8

9

10

1112

13 14

15

16 17

18

19

20

21

2223

24

2526

27

2829

30 31 by the affirmative vote of two-thirds of all voting interests in the affected cooperative. However, a cooperative may not forego the retrofitting with a fire sprinkler system of common areas in a high-rise building. For purposes of this subsection, the term "high-rise building" means a building that is greater than 75 feet in height where the building height is measured from the lowest level of fire department access to the floor of the highest occupiable story. For purposes of this subsection, the term "common areas" means any enclosed hallway, corridor, lobby, stairwell, or entryway. In no event shall the local authority having jurisdiction require completion of retrofitting of common areas with a sprinkler system before the end of 2014.

(a) A vote to forego retrofitting may not be obtained by general proxy or limited proxy or by a ballot, but shall be obtained by a vote personally cast at a duly called membership meeting, or by execution of a written consent by the member, and shall be effective upon the recording of a certificate attesting to such vote in the public records of the county where the cooperative is located. The association shall mail, hand deliver, or electronically transmit to provide each unit owner written notice at least 14 days prior to such membership meeting, which notice must include a statement that a of the vote to forego retrofitting of the required fire sprinkler system is to take place, in at least 16-point bold type, by certified mail, within 20 days after the association's vote. After such notice is provided to each owner, a copy of such notice shall be provided by the current owner to a new owner prior to closing and shall be provided by a unit owner renter prior to signing a lease.

3

4

5

6

7

8

9

10

11 12

13 14

15

16 17

18

19

20

21

2223

24

2526

27

28

29

30

31

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

718.112 Bylaws.--

- (2) REQUIRED PROVISIONS.--The bylaws shall provide for the following and, if they do not do so, shall be deemed to include the following:
 - (d) Unit owner meetings.--
- There shall be an annual meeting of the unit owners. Unless the bylaws provide otherwise, a vacancy on the board caused by the expiration of a director's term shall be filled by electing a new board member, and the election shall be by secret ballot; however, if the number of vacancies equals or exceeds the number of candidates, no election is required. If there is no provision in the bylaws for terms of the members of the board, the terms of all members of the board shall expire upon the election of their successors at the annual meeting. Any unit owner desiring to be a candidate for board membership shall comply with subparagraph 3. A person who has been convicted of any felony by any court of record in the United States and who has not had his or her right to vote restored pursuant to law in the jurisdiction of his or her residence is not eligible for board membership. The validity of an action by the board is not affected if it is later determined that a member of the board is ineligible for board membership due to having been convicted of a felony.
- 2. The bylaws shall provide the method of calling meetings of unit owners, including annual meetings. Written notice, which notice must include an agenda, shall be mailed, hand delivered, or electronically transmitted to each unit owner at least 14 days prior to the annual meeting and shall be posted in a conspicuous place on the condominium property

3

5

6 7

8

10

1112

13 14

15

16

17

18 19

20

2122

23

24

2526

27

28

29

30

31

at least 14 continuous days preceding the annual meeting. Upon notice to the unit owners, the board shall by duly adopted rule designate a specific location on the condominium property or association property upon which all notices of unit owner meetings shall be posted; however, if there is no condominium property or association property upon which notices can be posted, this requirement does not apply. In lieu of or in addition to the physical posting of notice of any meeting of the unit owners on the condominium property, the association may, by reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit cable television system serving the condominium association. However, if broadcast notice is used in lieu of a notice posted physically on the condominium property, the notice and agenda must be broadcast at least four times every broadcast hour of each day that a posted notice is otherwise required under this section. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda. Unless a unit owner waives in writing the right to receive notice of the annual meeting, such notice shall be hand delivered, mailed, or electronically transmitted to each unit owner. Notice for meetings and notice for all other purposes shall be mailed to each unit owner at the address last furnished to the association by the unit owner, or hand delivered to each unit owner. However, if a unit is owned by more than one person, the association shall provide notice, for meetings and all other purposes, to that one address which the developer initially identifies for that purpose and

3

5

6 7

8

10

11 12

13 14

15

16 17

18 19

20

2122

23

24

2526

27

28

29

30

31

thereafter as one or more of the owners of the unit shall so advise the association in writing, or if no address is given or the owners of the unit do not agree, to the address provided on the deed of record. An officer of the association, or the manager or other person providing notice of the association meeting, shall provide an affidavit or United States Postal Service certificate of mailing, to be included in the official records of the association affirming that the notice was mailed or hand delivered, in accordance with this provision.

The members of the board shall be elected by written ballot or voting machine. Proxies shall in no event be used in electing the board, either in general elections or elections to fill vacancies caused by recall, resignation, or otherwise, unless otherwise provided in this chapter. Not less than 60 days before a scheduled election, the association shall mail, deliver, or electronically transmit, whether by separate association mailing or included in another association mailing, delivery, or transmission, including regularly published newsletters, to each unit owner entitled to a vote, a first notice of the date of the election. Any unit owner or other eligible person desiring to be a candidate for the board must give written notice to the association not less than 40 days before a scheduled election. Together with the written notice and agenda as set forth in subparagraph 2., the association shall mail, deliver, or electronically transmit a second notice of the election to all unit owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the association shall include an information sheet, no larger than 8 1/2 inches by 11 inches, which must be furnished by the

4

5

6 7

8

9

10

1112

13 14

15

16 17

18 19

20

2122

23

24

2526

27

2829

30

31

candidate not less than 35 days before the election, to be included with the mailing, delivery, or transmission of the ballot, with the costs of mailing, delivery, or electronic transmission and copying to be borne by the association. The association is not liable for the contents of the information sheets prepared by the candidates. In order to reduce costs, the association may print or duplicate the information sheets on both sides of the paper. The division shall by rule establish voting procedures consistent with the provisions contained herein, including rules establishing procedures for giving notice by electronic transmission and rules providing for the secrecy of ballots. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least 20 percent of the eligible voters must cast a ballot in order to have a valid election of members of the board. No unit owner shall permit any other person to vote his or her ballot, and any such ballots improperly cast shall be deemed invalid, provided any unit owner who violates this provision may be fined by the association in accordance with s. 718.303. A unit owner who needs assistance in casting the ballot for the reasons stated in s. 101.051 may obtain assistance in casting the ballot. The regular election shall occur on the date of the annual meeting. The provisions of this subparagraph shall not apply to timeshare condominium associations. Notwithstanding the provisions of this subparagraph, an election is not required unless more candidates file notices of intent to run or are nominated than board vacancies exist.

4. Any approval by unit owners called for by this chapter or the applicable declaration or bylaws, including, but not limited to, the approval requirement in s. 718.111(8),

shall be made at a duly noticed meeting of unit owners and shall be subject to all requirements of this chapter or the applicable condominium documents relating to unit owner decisionmaking, except that unit owners may take action by written agreement, without meetings, on matters for which action by written agreement without meetings is expressly allowed by the applicable bylaws or declaration or any statute that provides for such action.

- 5. Unit owners may waive notice of specific meetings if allowed by the applicable bylaws or declaration or any statute. If authorized by the bylaws, notice of meetings of the board of administration, unit owner meetings, except unit owner meetings called to recall board members under paragraph (j), and committee meetings may be given by electronic transmission to unit owners who consent to receive notice by electronic transmission.
- 6. Unit owners shall have the right to participate in meetings of unit owners with reference to all designated agenda items. However, the association may adopt reasonable rules governing the frequency, duration, and manner of unit owner participation.
- 7. Any unit owner may tape record or videotape a meeting of the unit owners subject to reasonable rules adopted by the division.
- 8. Unless otherwise provided in the bylaws, any vacancy occurring on the board before the expiration of a term may be filled by the affirmative vote of the majority of the remaining directors, even if the remaining directors constitute less than a quorum, or by the sole remaining director. In the alternative, a board may hold an election to fill the vacancy, in which case the election procedures must

conform to the requirements of subparagraph 3. unless the association has opted out of the statutory election process, in which case the bylaws of the association control. Unless otherwise provided in the bylaws, a board member appointed or elected under this section shall fill the vacancy for the unexpired term of the seat being filled. Filling vacancies created by recall is governed by paragraph (j) and rules adopted by the division.

9. Fifteen percent of the total voting interests in a condominium association, or six unit owners, whichever is greater, may petition the division to appoint an election monitor to attend the annual meeting of the unit owners and conduct the election of directors. The division shall appoint a division employee, a person or persons specializing in condominium election monitoring, or an attorney licensed to practice in this state as the election monitor. All costs associated with the election monitoring process shall be paid by the association. The division shall adopt a rule establishing procedures for the appointment of election monitors and the scope and extent of the monitor's role in the election process.

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

3

4

5

6

7

8

10

11 12

13 14

15

16 17

18

19

20

21

2223

24

2526

27

28 29

30

31

Section 4. Paragraph (d) of subsection (1) of section 719.106, Florida Statutes, is amended to read:

719.106 Bylaws; cooperative ownership.--

- (1) MANDATORY PROVISIONS.--The bylaws or other cooperative documents shall provide for the following, and if they do not, they shall be deemed to include the following:
- Shareholder meetings. -- There shall be an annual meeting of the shareholders. All members of the board of administration shall be elected at the annual meeting unless the bylaws provide for staggered election terms or for their election at another meeting. Any unit owner desiring to be a candidate for board membership shall comply with subparagraph 1. The bylaws shall provide the method for calling meetings, including annual meetings. Written notice, which notice shall incorporate an identification of agenda items, shall be given to each unit owner at least 14 days prior to the annual meeting and shall be posted in a conspicuous place on the cooperative property at least 14 continuous days preceding the annual meeting. Upon notice to the unit owners, the board shall by duly adopted rule designate a specific location on the cooperative property upon which all notice of unit owner meetings shall be posted. In lieu of or in addition to the physical posting of notice of any meeting of the shareholders on the cooperative property, the association may, by reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit cable television system serving the cooperative association. However, if broadcast notice is used in lieu of a notice posted physically on the cooperative property, the notice and agenda must be broadcast at least four times every broadcast hour of each day that a posted notice is otherwise

4

5

6 7

8

10

1112

13 14

15

16 17

18

19

20

2122

23

24

2526

27

2829

30

31

required under this section. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda. Unless a unit owner waives in writing the right to receive notice of the annual meeting, the notice of the annual meeting shall be sent by mail, hand delivered, or electronically transmitted to each unit owner. An officer of the association shall provide an affidavit or United States Postal Service certificate of mailing, to be included in the official records of the association, affirming that notices of the association meeting were mailed, hand delivered, or electronically transmitted, in accordance with this provision, to each unit owner at the address last furnished to the association.

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

agenda as set forth in this section, the association shall mail, deliver, or electronically transmit a second notice of 2 election to all unit owners entitled to vote therein, together 3 4 with a ballot which shall list all candidates. Upon request of 5 a candidate, the association shall include an information sheet, no larger than 8 1/2 inches by 11 inches, which must 6 7 be furnished by the candidate not less than 35 days prior to the election, to be included with the mailing, delivery, or 8 9 electronic transmission of the ballot, with the costs of mailing, delivery, or transmission and copying to be borne by 10 the association. The association has no liability for the 11 12 contents of the information sheets provided by the candidates. 13 In order to reduce costs, the association may print or 14 duplicate the information sheets on both sides of the paper. 15 The division shall by rule establish voting procedures consistent with the provisions contained herein, including 16 17 rules establishing procedures for giving notice by electronic transmission and rules providing for the secrecy of ballots. 18 19 Elections shall be decided by a plurality of those ballots 20 cast. There shall be no quorum requirement. However, at least 20 percent of the eligible voters must cast a ballot in order 21 to have a valid election of members of the board of 22 23 administration. No unit owner shall permit any other person to vote his or her ballot, and any such ballots improperly 24 cast shall be deemed invalid. A unit owner who needs 25 26 assistance in casting the ballot for the reasons stated in s. 27 101.051 may obtain assistance in casting the ballot. Any unit owner violating this provision may be fined by the association 28 29 in accordance with s. 719.303. The regular election shall occur on the date of the annual meeting. The provisions of 30 this subparagraph shall not apply to timeshare cooperatives. 31

Notwithstanding the provisions of this subparagraph, an election and balloting are not required unless more candidates file a notice of intent to run or are nominated than vacancies exist on the board.

- 2. Any approval by unit owners called for by this chapter, or the applicable cooperative documents, shall be made at a duly noticed meeting of unit owners and shall be subject to all requirements of this chapter or the applicable cooperative documents relating to unit owner decisionmaking, except that unit owners may take action by written agreement, without meetings, on matters for which action by written agreement without meetings is expressly allowed by the applicable cooperative documents or any Florida statute which provides for the unit owner action.
- 3. Unit owners may waive notice of specific meetings if allowed by the applicable cooperative documents or any Florida statute. If authorized by the bylaws, notice of meetings of the board of administration, shareholder meetings, except shareholder meetings called to recall board members under paragraph (f), and committee meetings may be given by electronic transmission to unit owners who consent to receive notice by electronic transmission.
- 4. Unit owners shall have the right to participate in meetings of unit owners with reference to all designated agenda items. However, the association may adopt reasonable rules governing the frequency, duration, and manner of unit owner participation.
- 5. Any unit owner may tape record or videotape meetings of the unit owners subject to reasonable rules adopted by the division.

6. Fifteen percent of the total voting interests in a 1 2 cooperative association, or six unit owners, whichever is 3 greater, may petition the division to appoint an election 4 monitor to attend the annual meeting of the shareholders and 5 conduct the election of directors. The division shall appoint 6 a division employee, a person or persons specializing in 7 cooperative election monitoring, or an attorney licensed to 8 practice in this state as the election monitor. All costs 9 associated with the election monitoring process shall be paid by the association. The division shall adopt a rule 10 establishing procedures for the appointment of election 11 12 monitors and the scope and extent of the monitor's role in the 13 election process. 14 Notwithstanding subparagraphs (b)2. and (d)1., an association 15 may, by the affirmative vote of a majority of the total voting 16 17 interests, provide for a different voting and election procedure in its bylaws, which vote may be by a proxy 18 19 specifically delineating the different voting and election 20 procedures. The different voting and election procedures may provide for elections to be conducted by limited or general 21 22 proxy. 23 Section 5. This act shall take effect upon becoming a 24 law. 25 26 27 28 29 30 31 15

CODING: Words stricken are deletions; words underlined are additions.