

By Senator Garcia

7-1506-04

See HB 1223

1 A bill to be entitled
2 An act relating to condominium associations;
3 amending s. 718.103, F.S.; defining the term
4 "immediate family member"; amending s. 718.104,
5 F.S.; prohibiting the exercise of multiple
6 votes by owners of multiple units; amending s.
7 718.110, F.S.; providing for grandfathering and
8 modification of rental rights; providing for
9 certain application of the amendment of unit
10 owners' rental rights; providing certain voting
11 and approval criteria for amendments depriving
12 owners of certain rights; amending s. 718.112,
13 F.S.; requiring super majority votes to reduce
14 certain required reserves; creating s.
15 718.1125, F.S.; imposing eligibility
16 restrictions on association members;
17 authorizing the Division of Florida Land Sales,
18 Condominiums, and Mobile Homes to adopt rules;
19 amending s. 718.116, F.S.; increasing
20 percentage of mortgage debt used as a limit on
21 liability in certain foreclosure actions;
22 requiring notice of intent to record a claim of
23 lien; designating liens inoperative and
24 unenforceable if requirements are not
25 fulfilled; changing priority of claims to which
26 payments for delinquent assessments are made;
27 providing that certain late fees and interest
28 shall not be the sole basis for a lien;
29 providing limitations on recording a claim of
30 lien; requiring a claim of lien and notice for
31 collections to contain a certain statement;

1 providing criminal penalties for willful and
2 malicious imposition, enforcement, or
3 overvaluation of a lien; requiring a super
4 majority board approval for excess funds from a
5 special assessment to be credited against
6 future assessments; requiring board actions
7 imposing financial hardships to be ratified by
8 a majority of all voting interests; amending s.
9 718.3025, F.S.; requiring additional
10 disclosures for contract validity or
11 enforceability; providing that certain business
12 entities may be contracted by the association
13 to provide certain services if approved by a
14 majority of all unit owners; amending s.
15 718.3026, F.S.; deleting a provision
16 authorizing associations with fewer than 100
17 units to opt out of certain products and
18 services contracting requirements; lowering a
19 threshold percentage to require competitive
20 bidding; requiring a minimum number of bids;
21 specifying nonapplication to all employment
22 contracts; creating s. 718.305, F.S.;
23 authorizing the association to conduct criminal
24 background checks of potential unit owners and
25 tenants; amending s. 718.501, F.S.; requiring
26 mandatory training for certain board members;
27 creating s. 718.5011, F.S.; creating an Office
28 of the Condominium Ombudsman within the
29 division of Florida Land Sales, Condominiums,
30 and Mobile Homes; providing for the office's
31 independence from the division; authorizing the

1 Joint Legislative Auditing Committee to appoint
2 the ombudsman; requiring the ombudsman to be an
3 attorney; providing for the filling of a vacant
4 ombudsman position; requiring the ombudsman and
5 staff to subscribe to the oath of office
6 required of state officers; prohibiting the
7 ombudsman and staff from engaging in any other
8 profession, serving as a representative or
9 employee of any political party, or receiving
10 remuneration for activities on behalf of
11 political candidates; prohibiting the ombudsman
12 and staff from seeking public office unless
13 resigned from the Office of the Condominium
14 Ombudsman; providing requirements and
15 limitations on office staff; creating s.
16 718.5012, F.S.; providing for powers and duties
17 of the ombudsman; creating s. 718.5013, F.S.;
18 providing for compensation and expenses for the
19 office; authorizing the ombudsman to employ
20 clerical and technical assistants for certain
21 purposes; creating s. 718.5014, F.S.; providing
22 for the location of the ombudsman's office;
23 creating s. 718.5015, F.S.; creating the
24 Advisory Council on Condominiums; providing for
25 membership, functions, meetings, and offices of
26 the council; amending s. 718.504, F.S.;
27 revising provisions relating to certain
28 prospectus and offering circulars; requiring
29 developers of certain condominiums to provide a
30 prospectus including a "Frequently Asked
31 Questions and Answers" document; requiring the

1 document to contain certain information;
2 reducing the threshold amount to be required to
3 be disclosed in controversy for litigation;
4 requiring certain information to be included in
5 the prospectus or offering circular; providing
6 for a type two transfer of all records,
7 personnel, property, and unexpended balances of
8 appropriations, allocations, or other funds for
9 the administration of pt. VIII of ch. 468,
10 F.S., from the Division of Professions to the
11 Division of Florida Land Sales, Condominiums,
12 and Mobile Homes within the Department of
13 Business and Professional Regulation;
14 preserving the department's authority to pursue
15 certain remedies; creating s. 718.510, F.S.;

16 requiring the creation of a Condominium Owners'
17 Bill of Rights; providing an effective date.
18
19 Be It Enacted by the Legislature of the State of Florida:

20
21 Section 1. Subsections (18) through (30) of section
22 718.103, Florida Statutes, are renumbered as subsections (19)
23 through (31), respectively, and a new subsection (18) is added
24 to that section, to read:

25 718.103 Definitions.--As used in this chapter, the
26 term:

27 (18) "Immediate family member" means a parent, child,
28 spouse, sibling, grandparent, grandchild, uncle, aunt, niece,
29 nephew, great-uncle, great-aunt, great-nephew, great-niece,
30 first cousin, or second cousin by blood, marriage, or adoption
31 and includes half and step relatives.

1 Section 2. Paragraph (j) of subsection (4) of section
2 718.104, Florida Statutes, is amended to read:

3 718.104 Creation of condominiums; contents of
4 declaration.--Every condominium created in this state shall be
5 created pursuant to this chapter.

6 (4) The declaration must contain or provide for the
7 following matters:

8 (j) Unit owners' membership and voting rights in the
9 association. However, any provision in a declaration or bylaws
10 allowing an owner of multiple units in the same condominium to
11 exercise multiple votes shall be void.

12 Section 3. Subsection (13) is added to section
13 718.110, Florida Statutes, to read:

14 718.110 Amendment of declaration; correction of error
15 or omission in declaration by circuit court; grandfathering
16 and modification of certain rights.--

17 (13)(a) Unless expressly stated in the amendment, any
18 amendment restricting unit owners' rights relating to the
19 rental of units, keeping of pets, or allocation of parking
20 spaces shall apply only to unit owners who purchase their unit
21 after the effective date of that amendment.

22 (b) Notwithstanding any other provision of law, or of
23 the declaration or bylaws, if an amendment expressly deprives
24 current unit owners of any part of their rights mentioned in
25 subsection (a), it must be approved by at least three-fourths
26 of the voting interests. A declaration or an amendment to a
27 declaration may provide for a higher super majority vote
28 requirement.

29 Section 4. Paragraph (f) of subsection (2) of section
30 718.112, Florida Statutes, is amended to read:

31 718.112 Bylaws.--

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

4 (f) Annual budget.--

5 1. The proposed annual budget of common expenses shall
6 be detailed and shall show the amounts budgeted by accounts
7 and expense classifications, including, if applicable, but not
8 limited to, those expenses listed in s. 718.504(21). A
9 multicondominium association shall adopt a separate budget of
10 common expenses for each condominium the association operates
11 and shall adopt a separate budget of common expenses for the
12 association. In addition, if the association maintains limited
13 common elements with the cost to be shared only by those
14 entitled to use the limited common elements as provided for in
15 s. 718.113(1), the budget or a schedule attached thereto shall
16 show amounts budgeted therefor. If, after turnover of control
17 of the association to the unit owners, any of the expenses
18 listed in s. 718.504(21) are not applicable, they need not be
19 listed.

20 2. In addition to annual operating expenses, the
21 budget shall include reserve accounts for capital expenditures
22 and deferred maintenance. These accounts shall include, but
23 are not limited to, roof replacement, building painting, and
24 pavement resurfacing, regardless of the amount of deferred
25 maintenance expense or replacement cost, and for any other
26 item for which the deferred maintenance expense or replacement
27 cost exceeds \$10,000. The amount to be reserved shall be
28 computed by means of a formula which is based upon estimated
29 remaining useful life and estimated replacement cost or
30 deferred maintenance expense of each reserve item. The
31 association may adjust replacement reserve assessments

1 annually to take into account any changes in estimates or
2 extension of the useful life of a reserve item caused by
3 deferred maintenance. This subsection does not apply to an
4 adopted budget in which the members of an association have
5 determined, by a two-thirds ~~majority~~ vote at a duly called
6 meeting of the association, to provide no reserves or less
7 reserves than required by this subsection. However, prior to
8 turnover of control of an association by a developer to unit
9 owners other than a developer pursuant to s. 718.301, the
10 developer may vote to waive the reserves or reduce the funding
11 of reserves for the first 2 fiscal years of the association's
12 operation, beginning with the fiscal year in which the initial
13 declaration is recorded, after which time reserves may be
14 waived or reduced only upon the vote of a majority of all
15 nondeveloper voting interests voting in person or by limited
16 proxy at a duly called meeting of the association. If a
17 meeting of the unit owners has been called to determine
18 whether to waive or reduce the funding of reserves, and no
19 such result is achieved or a quorum is not attained, the
20 reserves as included in the budget shall go into effect. After
21 the turnover, the developer may vote its voting interest to
22 waive or reduce the funding of reserves.

23 3. Reserve funds and any interest accruing thereon
24 shall remain in the reserve account or accounts, and shall be
25 used only for authorized reserve expenditures unless their use
26 for other purposes is approved in advance by a majority vote
27 at a duly called meeting of the association. Prior to turnover
28 of control of an association by a developer to unit owners
29 other than the developer pursuant to s. 718.301, the
30 developer-controlled association shall not vote to use
31 reserves for purposes other than that for which they were

1 intended without the approval of a majority of all
2 nondeveloper voting interests, voting in person or by limited
3 proxy at a duly called meeting of the association.

4 4. In a multicondominium association, the only voting
5 interests which are eligible to vote on questions that involve
6 waiving or reducing the funding of reserves, or using existing
7 reserve funds for purposes other than purposes for which the
8 reserves were intended, are the voting interests of the units
9 subject to assessment to fund the reserves in question.

10 Section 5. Section 718.1125, Florida Statutes, is
11 created to read:

12 718.1125 Board eligibility restrictions.--

13 (1) Notwithstanding any provision of the declaration
14 or bylaws, no one may serve on the board of the same
15 association:

16 (a) Alongside an immediate family member who is also
17 on that board. If this paragraph is violated, the
18 later-elected immediate family member's election shall be
19 deemed void. Good-faith ignorance of such a relationship shall
20 prevent the operation of this paragraph, but only until such a
21 relationship is discovered.

22 (b) Unless actually resident in the condominium for at
23 least 3 months out of the year prior to the annual meeting at
24 which he or she was elected.

25 (c) Unless subjected to a criminal background check by
26 the Department of Law Enforcement, the results of which shall
27 be available to all unit owners in that condominium
28 notwithstanding any public records exemption.

29 (d) For more than 2 consecutive years. A person barred
30 from serving on a board under this paragraph may seek
31 reelection after an intervening 2 years or may seek to be

1 reelected immediately, only if, no other candidate seeks to be
2 elected and the person otherwise barred is approved by a
3 majority of the voting interests.

4 (2) The Department of Law Enforcement shall, in
5 coordination with the division, adopt rules pursuant to
6 chapter 120 to provide for criminal background checks required
7 by paragraph (1)(e) and for recovering the costs of such
8 checks from associations.

9 Section 6. Paragraphs (b) and (c) of subsection (1),
10 subsection (3), paragraphs (a) and (b) of subsection (5),
11 paragraph (b) of subsection (6), and subsection (10) of
12 section 718.116, Florida Statutes, are amended, paragraph (e)
13 is added to subsection (6) of that section, and subsection
14 (11) is added to that section, to read:

15 718.116 Assessments; liability; lien and priority;
16 interest; collection.--

17 (1)

18 (b) The liability of a first mortgagee or its
19 successor or assignees who acquire title to a unit by
20 foreclosure or by deed in lieu of foreclosure for the unpaid
21 assessments that became due prior to the mortgagee's
22 acquisition of title is limited to the lesser of:

23 1. The unit's unpaid common expenses and regular
24 periodic assessments which accrued or came due during the 6
25 months immediately preceding the acquisition of title and for
26 which payment in full has not been received by the
27 association; or

28 2. Five ~~One~~ percent of the original mortgage debt. The
29 provisions of this paragraph apply only if the first mortgagee
30 joined the association as a defendant in the foreclosure
31 action. Joinder of the association is not required if, on the

1 date the complaint is filed, the association was dissolved or
2 did not maintain an office or agent for service of process at
3 a location which was known to or reasonably discoverable by
4 the mortgagee.

5 (c) The person acquiring title shall pay the amount
6 owed to the association within 30 days after transfer of
7 title. Failure to pay the full amount when due shall entitle
8 the association to record a claim of lien against the parcel
9 and proceed in the same manner as provided in this section for
10 the collection of unpaid assessments. Such a lien may not be
11 recorded until 30 days after the association posts notice by
12 certified mail to the person acquiring title of its intent to
13 record the lien.

14 (3) Assessments and installments on them which are not
15 paid when due bear interest at the rate provided in the
16 declaration, from the due date until paid. This rate may not
17 exceed the rate allowed by law, and, if no rate is provided in
18 the declaration, interest shall accrue at the rate of 18
19 percent per year. Also, if the declaration or bylaws so
20 provide, the association may charge an administrative late fee
21 in addition to such interest, in an amount not to exceed the
22 greater of \$25 or 5 percent of each installment of the
23 assessment for each delinquent installment that the payment is
24 late. Any payment received by an association shall be applied
25 first to the delinquent assessment, then to any interest
26 accrued by the association, then to any administrative late
27 fee, and then to any costs and reasonable attorney's fees
28 incurred in collection, and then to the delinquent assessment.
29 The foregoing shall be applicable notwithstanding any
30 restrictive endorsement, designation, or instruction placed on
31

1 or accompanying a payment. A late fee shall not be subject to
2 the provisions in chapter 687 or s. 718.303(3).

3 (5)(a) The association has a lien on each condominium
4 parcel to secure the payment of assessments. No administrative
5 late fee or interest shall be the sole basis for a lien.

6 Except as otherwise provided in subsection (1) and as set
7 forth below, the lien is effective from and shall relate back
8 to the recording of the original declaration of condominium,
9 or, in the case of lien on a parcel located in a phase
10 condominium, the last to occur of the recording of the
11 original declaration or amendment thereto creating the parcel.
12 However, as to first mortgages of record, the lien is
13 effective from and after recording of a claim of lien in the
14 public records of the county in which the condominium parcel
15 is located. Nothing in this subsection shall be construed to
16 bestow upon any lien, mortgage, or certified judgment of
17 record on April 1, 1992, including the lien for unpaid
18 assessments created herein, a priority which, by law, the
19 lien, mortgage, or judgment did not have before that date.

20 (b) To be valid, a claim of lien must state the
21 description of the condominium parcel, the name of the record
22 owner, the name and address of the association, the amount
23 due, and the due dates. It must be executed and acknowledged
24 by an officer or authorized agent of the association. The
25 claim of lien may not be recorded until 45 days after the
26 association posts notice of its intent to record the claim by
27 certified or registered mail to the record owner or delivers
28 such notice to the record owner by hand. Failure to comply
29 with this requirement renders the claim of lien inoperative
30 and unenforceable until compliance. No such lien shall be
31 effective longer than 1 year after the claim of lien was

1 recorded unless, within that time, an action to enforce the
2 lien is commenced. The 1-year period shall automatically be
3 extended for any length of time during which the association
4 is prevented from filing a foreclosure action by an automatic
5 stay resulting from a bankruptcy petition filed by the parcel
6 owner or any other person claiming an interest in the parcel.
7 The claim of lien shall secure all unpaid assessments which
8 are due and which may accrue subsequent to the recording of
9 the claim of lien and prior to the entry of a certificate of
10 title, as well as interest and all reasonable costs and
11 attorney's fees incurred by the association incident to the
12 collection process. Upon payment in full, the person making
13 the payment is entitled to a satisfaction of the lien.

14 (6)

15 (b) No foreclosure judgment may be entered until at
16 least 30 days after the association gives written notice to
17 the unit owner of its intention to foreclose its lien to
18 collect the unpaid assessments. If this notice is not given at
19 least 30 days before the foreclosure action is filed, and if
20 the unpaid assessments, including those coming due after the
21 claim of lien is recorded, are paid before the entry of a
22 final judgment of foreclosure or money judgment, the
23 association shall not recover attorney's fees or costs. The
24 notice must be given by delivery of a copy of it to the unit
25 owner or by certified or registered mail, return receipt
26 requested, addressed to the unit owner at his or her last
27 known address; and, upon such mailing, the notice shall be
28 deemed to have been given, and the court shall proceed with
29 the foreclosure action and may award attorney's fees and costs
30 as permitted by law. The notice requirements of this
31 subsection are satisfied if the unit owner records a notice of

1 contest of lien as provided in subsection (5). The notice
2 requirements of this subsection do not apply if an action to
3 foreclose a mortgage on the condominium unit is pending before
4 any court; if the rights of the association would be affected
5 by such foreclosure; and if actual, constructive, or
6 substitute service of process has been made on the unit owner.
7 Each claim of lien as well as each 30-day written notice for
8 collections shall contain the following statement
9 distinguished in conspicuous bold, enlarged, or italicized
10 type:

11
12 UNDER FLORIDA LAW, YOUR CONDOMINIUM UNIT, EVEN IF NOT YOUR
13 HOMESTEAD RESIDENCE, IS SUBJECT TO FORECLOSURE FOR FAILING TO
14 MAKE MAINTENANCE ASSESSMENT PAYMENTS.

15 (e) A board member or officer of an association, or
16 his or her immediate family member, who willfully and
17 maliciously acts to impose, enforce, or increase the overall
18 value of a lien for the payment of assessments with the intent
19 to purchase or assist in the purchase of a condominium unit at
20 foreclosure commits a misdemeanor of the first degree,
21 punishable as provided in s. 775.082 or s. 775.083.

22 (10) The specific purpose or purposes of any special
23 assessment approved in accordance with the condominium
24 documents shall be set forth in a written notice of such
25 assessment sent or delivered to each unit owner. The funds
26 collected pursuant to a special assessment shall be used only
27 for the specific purpose or purposes set forth in such notice.
28 However, upon completion of such specific purpose or purposes,
29 any excess funds will be considered common surplus, and may,
30 ~~at the discretion of the board,~~ either be returned to the unit

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1 owners or, upon approval of two-thirds of the board, be
2 applied as a credit toward future assessments.

3 (11) Notwithstanding any provision of the declaration
4 or bylaws, any action of the board, even those characterized
5 as special assessments, that imposes a financial hardship on
6 any or all of the unit owners must be ratified by a majority
7 of the voting interests at a duly convened meeting of the
8 association to be held within 60 days of such action or such
9 action shall be void.

10 Section 7. Paragraph (e) of subsection (1) of section
11 718.3025, Florida Statutes, is amended, subsection (4) of that
12 section is renumbered as subsection (5), and a new subsection
13 (4) is added to that section, to read:

14 718.3025 Agreements for operation, maintenance, or
15 management of condominiums; specific requirements.--

16 (1) No written contract between a party contracting to
17 provide maintenance or management services and an association
18 which contract provides for operation, maintenance, or
19 management of a condominium association or property serving
20 the unit owners of a condominium shall be valid or enforceable
21 unless the contract:

22 (e) Discloses any financial or ownership interest
23 which the developer, if the developer is in control of the
24 association, any officer of the association, or any member of
25 the board holds with regard to the party contracting to
26 provide maintenance or management services.

27 (4) A business entity of which an association's board
28 member or officer or his or her immediate family member is an
29 employee, or in which an association's board member or officer
30 or any or all of his or her immediate family members together
31 hold an ownership interest of 10 percent or more, may be

1 contracted to provide maintenance or management services to
2 that association only if approved by a majority of all unit
3 owners. A contract in violation of this subsection shall be
4 void.

5 Section 8. Section 718.3026, Florida Statutes, is
6 amended to read:

7 718.3026 Contracts for products and services; in
8 writing; bids; exceptions.--~~Associations with less than 100~~
9 ~~units may opt out of the provisions of this section if~~
10 ~~two-thirds of the unit owners vote to do so, which opt-out may~~
11 ~~be accomplished by a proxy specifically setting forth the~~
12 ~~exception from this section.~~

13 (1) All contracts as further described herein or any
14 contract that is not to be fully performed within 1 year after
15 the making thereof, for the purchase, lease, or renting of
16 materials or equipment to be used by the association in
17 accomplishing its purposes under this chapter, and all
18 contracts for the provision of services, shall be in writing.
19 If a contract for the purchase, lease, or renting of materials
20 or equipment, or for the provision of services, requires
21 payment by the association on behalf of any condominium
22 operated by the association in the aggregate that exceeds 2.5
23 5 percent of the total annual budget of the association,
24 including reserves, the association shall obtain no fewer than
25 three competitive bids for the materials, equipment, or
26 services. Nothing contained herein shall be construed to
27 require the association to accept the lowest bid.

28 (2)(a)1. Notwithstanding the foregoing, employment
29 ~~contracts with employees of the association, and contracts for~~
30 ~~attorney, accountant, architect, community association~~
31 ~~manager, timeshare management firm, engineering, and landscape~~

1 ~~architect services~~ are not subject to the provisions of this
2 section.

3 2. A contract executed before January 1, 1992, and any
4 renewal thereof, is not subject to the competitive bid
5 requirements of this section. If a contract was awarded under
6 the competitive bid procedures of this section, any renewal of
7 that contract is not subject to such competitive bid
8 requirements if the contract contains a provision that allows
9 the board to cancel the contract on 30 days' notice.

10 Materials, equipment, or services provided to a condominium
11 under a local government franchise agreement by a franchise
12 holder are not subject to the competitive bid requirements of
13 this section. A contract with a manager, if made by a
14 competitive bid, may be made for up to 3 years. A condominium
15 whose declaration or bylaws provides for competitive bidding
16 for services may operate under the provisions of that
17 declaration or bylaws in lieu of this section if those
18 provisions are not less stringent than the requirements of
19 this section.

20 (b) Nothing contained herein is intended to limit the
21 ability of an association to obtain needed products and
22 services in an emergency.

23 (c) This section shall not apply if the business
24 entity with which the association desires to enter into a
25 contract is the only source of supply within the county
26 serving the association.

27 (d) Nothing contained herein shall excuse a party
28 contracting to provide maintenance or management services from
29 compliance with s. 718.3025.

30 Section 9. Section 718.305, Florida Statutes, is
31 created to read:

1 718.305 Criminal background checks for potential unit
2 owners and tenants.--Upon receiving notice of a potential unit
3 owner or tenant, the association shall, at the expense of the
4 applicant, conduct a criminal background check of all persons
5 seeking to own or rent a unit.

6 Section 10. Paragraph (j) of subsection (1) of section
7 718.501, Florida Statutes, is amended to read:

8 718.501 Powers and duties of Division of Florida Land
9 Sales, Condominiums, and Mobile Homes.--

10 (1) The Division of Florida Land Sales, Condominiums,
11 and Mobile Homes of the Department of Business and
12 Professional Regulation, referred to as the "division" in this
13 part, in addition to other powers and duties prescribed by
14 chapter 498, has the power to enforce and ensure compliance
15 with the provisions of this chapter and rules promulgated
16 pursuant hereto relating to the development, construction,
17 sale, lease, ownership, operation, and management of
18 residential condominium units. In performing its duties, the
19 division has the following powers and duties:

20 (j) The division shall provide training programs for
21 condominium association board members and unit owners.
22 Training shall be mandatory for newly elected board members
23 and members currently serving on a board who have not
24 previously voluntarily attended training.

25 Section 11. Section 718.5011, Florida Statutes, is
26 created to read:

27 718.5011 Ombudsman; appointment; oath; restrictions on
28 ombudsman and his or her employees.--

29 (1) There is created an Office of the Condominium
30 Ombudsman that for administrative purposes shall be located
31 within the Division of Florida Land Sales, Condominiums, and

1 Mobile Homes. However, the office shall be independent of the
2 division.

3 (2) The Joint Legislative Auditing Committee shall
4 appoint an ombudsman by majority vote of the members of that
5 committee. The ombudsman shall be an attorney admitted to
6 practice before the Florida Supreme Court and shall serve at
7 the pleasure of the Joint Legislative Auditing Committee.
8 Vacancies in the office shall be filled in the same manner as
9 the original appointment. The ombudsman and attorneys under
10 his staff shall take and subscribe to the oath of office
11 required of state officers by the State Constitution. No
12 officer or full-time employee of the ombudsman's office shall
13 actively engage in any other business or profession; serve as
14 the representative of any political party, executive
15 committee, or other governing body thereof; serve as an
16 executive, officer, or employee of any political party,
17 committee, organization, or association; receive remuneration
18 for activities on behalf of any candidate for public office;
19 or engage on behalf of any candidate for public office in the
20 solicitation of votes or other activities on behalf of such
21 candidacy. Neither the ombudsman nor any employee of his or
22 her office shall become a candidate for election to public
23 office unless he or she first resigns from his or her office
24 or employment.

25 Section 12. Section 718.5012, Florida Statutes, is
26 created to read:

27 718.5012 Ombudsman; powers and duties.--The ombudsman
28 shall have such powers as are necessary to carry out the
29 duties of his or her office, including, but not limited to,
30 the following specific powers:

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1 (1) To have access to and use of all files and records
2 of the division.

3 (2) To prepare and issue reports, recommendations, and
4 proposed orders to the division, the Governor, the Advisory
5 Council on Condominiums, the President of the Senate, the
6 Speaker of the House of Representatives, and minority leaders
7 of the Senate and the House of Representatives on any matter
8 or subject within the jurisdiction of the division, and to
9 make such recommendations as he or she deems appropriate for
10 legislation relative to division procedures, rules,
11 jurisdiction, personnel, and functions.

12 (3) To act as liaison between the division and unit
13 owners, and to assist any unit owner in the preparation and
14 filing of a complaint to be investigated by the division. The
15 ombudsman shall establish procedures for receiving complaints.
16 Any complaint deemed valid by the ombudsman and properly
17 falling within the jurisdiction of the division and requiring
18 remedial action shall be identified and promptly filed with
19 the division. Upon the concurrence of the division, the
20 ombudsman shall establish target dates for concluding an
21 investigation and for taking appropriate specified remedial
22 action. The ombudsman may recommend that the division initiate
23 enforcement proceedings in accordance with chapter 120. The
24 department and the ombudsman may take findings of a criminal
25 nature and submit them as evidence to the state attorney's
26 office, and work with them to bring charges against the
27 alleged parties involved.

28 (4) To make recommendations to the division for
29 changes in rules and procedures for the filing, investigation,
30 and resolution of complaints filed by unit owners.

31

1 Section 13. Section 718.5013, Florida Statutes, is
2 created to read:

3 718.5013 Ombudsman; compensation and expenses.--

4 (1) All costs and expenses incurred by the Office of
5 the Condominium Ombudsman shall be paid from disbursements
6 from the Division of Florida Land Sales, Condominiums, and
7 Mobile Homes Trust Fund and shall require approval of the
8 Joint Legislative Auditing Committee.

9 (2) The Joint Legislative Auditing Committee may
10 authorize the ombudsman to employ clerical and technical
11 assistants whose qualifications, duties, and responsibilities
12 the committee shall from time to time prescribe, and to enter
13 into such contracts as necessary. The committee may authorize
14 retention of the services of additional attorneys or experts
15 to the extent that the best interests of the people of the
16 state will be better served thereby, including the retention
17 of expert witnesses and other technical personnel for
18 participation in contested proceedings before the division.

19 Section 14. Section 718.5014, Florida Statutes, is
20 created to read:

21 718.5014 Ombudsman; location.--The ombudsman shall
22 maintain his or her principal office in Leon County on the
23 premises of the division or, if suitable space cannot be
24 provided there, at such other place convenient to the offices
25 of the division as will enable the ombudsman to expeditiously
26 carry out the duties and functions of his or her office. The
27 ombudsman may establish branch offices upon the concurrence of
28 the Joint Legislative Auditing Committee

29 Section 15. Section 718.5015, Florida Statutes, is
30 created to read:

31 718.5015 Advisory council; membership functions.--

1 (1) There is created the Advisory Council on
2 Condominiums. The council shall consist of seven members. Two
3 members shall be appointed by the Speaker of the House of
4 Representatives, two members shall be appointed by the
5 President of the Senate, and three members shall be appointed
6 by the Governor. At least one member shall represent timeshare
7 condominiums. Members shall be appointed to 2-year terms;
8 however, of the initial appointments, one of the members
9 appointed by each of the Governor, the Speaker of the House of
10 Representatives, and the President of the Senate shall be
11 appointed to 1-year terms. In addition to these appointed
12 members, the director of the Division of Florida Land Sales,
13 Condominiums, and Mobile Homes shall serve as an ex officio
14 member of the council. It is the intent of the Legislature
15 that the persons appointed to this council represent a
16 cross-section of persons interested in condominium issues. For
17 administrative purposes, the council shall be located in the
18 Division of Florida Land Sales, Condominiums, and Mobile Homes
19 of the Department of Business and Professional Regulation.
20 Members of the council shall serve without compensation, but
21 shall be entitled to receive per diem and travel expenses
22 pursuant to s. 112.061 while on official business.

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

24 (a) Receive input from the public regarding issues of
25 concern with respect to condominiums and to receive
26 recommendations for any changes to be made in the condominium
27 law. The issues that the council shall consider shall include,
28 but shall not be limited to, the rights and responsibilities
29 of the unit owners in relation to the rights and
30 responsibilities of the association.

31

1 (b) Review, evaluate, and advise the division
2 concerning revisions and adoption of rules affecting
3 condominiums.

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

6 (3) The council is authorized to elect a chair and
7 vice chair and such other offices as it may deem advisable.
8 The council shall meet at the call of its chair, at the
9 request of a majority of its membership, at the request of the
10 division, or at such times as may be prescribed by its rules.
11 A majority of the members of the council shall constitute a
12 quorum for the transaction of all business and the carrying
13 out of the duties of the council.

14 Section 16. Section 718.504, Florida Statutes, is
15 amended to read:

16 718.504 Prospectus or offering circular; "Frequently
17 Asked Questions and Answers".--Every developer of a
18 residential condominium which contains more than 20
19 residential units, or which is part of a group of residential
20 condominiums which will be served by property to be used in
21 common by unit owners of more than 20 residential units, shall
22 prepare a prospectus or offering circular and file it with the
23 Division of Florida Land Sales, Condominiums, and Mobile Homes
24 prior to entering into an enforceable contract of purchase and
25 sale of any unit or lease of a unit for more than 5 years and
26 shall furnish a copy of the prospectus or offering circular to
27 each buyer. In addition to the prospectus or offering
28 circular, any prospective ~~each~~ buyer from the developer or a
29 current unit owner shall be furnished a separate document ~~page~~
30 entitled "Frequently Asked Questions and Answers," which shall
31 be in accordance with a format approved by the division and a

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

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

27 (a) The name of the condominium.

28 (b) The following statements in conspicuous type:

29 1. THIS PROSPECTUS (OFFERING CIRCULAR) CONTAINS
30 IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM
31 UNIT.

1 2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN
2 NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL
3 REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS, AND
4 SALES MATERIALS.

5 3. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS
6 CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER
7 TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR
8 CORRECT REPRESENTATIONS.

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

12 (3) A separate index of the contents and exhibits of
13 the prospectus.

14 (4) Beginning on the first page of the text (not
15 including the summary and index), a description of the
16 condominium, including, but not limited to, the following
17 information:

18 (a) Its name and location.

19 (b) A description of the condominium property,
20 including, without limitation:

21 1. The number of buildings, the number of units in
22 each building, the number of bathrooms and bedrooms in each
23 unit, and the total number of units, if the condominium is not
24 a phase condominium, or the maximum number of buildings that
25 may be contained within the condominium, the minimum and
26 maximum numbers of units in each building, the minimum and
27 maximum numbers of bathrooms and bedrooms that may be
28 contained in each unit, and the maximum number of units that
29 may be contained within the condominium, if the condominium is
30 a phase condominium.

31

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

3 3. The estimated latest date of completion of
4 constructing, finishing, and equipping. In lieu of a date, the
5 description shall include a statement that the estimated date
6 of completion of the condominium is in the purchase agreement
7 and a reference to the article or paragraph containing that
8 information.

9 (c) The maximum number of units that will use
10 facilities in common with the condominium. If the maximum
11 number of units will vary, a description of the basis for
12 variation and the minimum amount of dollars per unit to be
13 spent for additional recreational facilities or enlargement of
14 such facilities. If the addition or enlargement of facilities
15 will result in a material increase of a unit owner's
16 maintenance expense or rental expense, if any, the maximum
17 increase and limitations thereon shall be stated.

18 (5)(a) A statement in conspicuous type describing
19 whether the condominium is created and being sold as fee
20 simple interests or as leasehold interests. If the condominium
21 is created or being sold on a leasehold, the location of the
22 lease in the disclosure materials shall be stated.

23 (b) If timeshare estates are or may be created with
24 respect to any unit in the condominium, a statement in
25 conspicuous type stating that timeshare estates are created
26 and being sold in units in the condominium.

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

31

- 1 (a) Each room and its intended purposes, location,
2 approximate floor area, and capacity in numbers of people.
- 3 (b) Each swimming pool, as to its general location,
4 approximate size and depths, approximate deck size and
5 capacity, and whether heated.
- 6 (c) Additional facilities, as to the number of each
7 facility, its approximate location, approximate size, and
8 approximate capacity.
- 9 (d) A general description of the items of personal
10 property and the approximate number of each item of personal
11 property that the developer is committing to furnish for each
12 room or other facility or, in the alternative, a
13 representation as to the minimum amount of expenditure that
14 will be made to purchase the personal property for the
15 facility.
- 16 (e) The estimated date when each room or other
17 facility will be available for use by the unit owners.
- 18 (f)1. An identification of each room or other facility
19 to be used by unit owners that will not be owned by the unit
20 owners or the association;
- 21 2. A reference to the location in the disclosure
22 materials of the lease or other agreements providing for the
23 use of those facilities; and
- 24 3. A description of the terms of the lease or other
25 agreements, including the length of the term; the rent
26 payable, directly or indirectly, by each unit owner, and the
27 total rent payable to the lessor, stated in monthly and annual
28 amounts for the entire term of the lease; and a description of
29 any option to purchase the property leased under any such
30 lease, including the time the option may be exercised, the
31 purchase price or how it is to be determined, the manner of

1 payment, and whether the option may be exercised for a unit
2 owner's share or only as to the entire leased property.

3 (g) A statement as to whether the developer may
4 provide additional facilities not described above; their
5 general locations and types; improvements or changes that may
6 be made; the approximate dollar amount to be expended; and the
7 maximum additional common expense or cost to the individual
8 unit owners that may be charged during the first annual period
9 of operation of the modified or added facilities.

10

11 Descriptions as to locations, areas, capacities, numbers,
12 volumes, or sizes may be stated as approximations or minimums.

13 (7) A description of the recreational and other
14 facilities that will be used in common with other
15 condominiums, community associations, or planned developments
16 which require the payment of the maintenance and expenses of
17 such facilities, either directly or indirectly, by the unit
18 owners. The description shall include, but not be limited to,
19 the following:

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

21 (b) Facilities not committed to be built except under
22 certain conditions, and a statement of those conditions or
23 contingencies.

24 (c) As to each facility committed to be built, or
25 which will be committed to be built upon the happening of one
26 of the conditions in paragraph (b), a statement of whether it
27 will be owned by the unit owners having the use thereof or by
28 an association or other entity which will be controlled by
29 them, or others, and the location in the exhibits of the lease
30 or other document providing for use of those facilities.

31

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

5 (e) A general description of the items of personal
6 property, and the approximate number of each item of personal
7 property, that the developer is committing to furnish for each
8 room or other facility or, in the alternative, a
9 representation as to the minimum amount of expenditure that
10 will be made to purchase the personal property for the
11 facility.

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

15
16 Descriptions shall include location, areas, capacities,
17 numbers, volumes, or sizes and may be stated as approximations
18 or minimums.

19 (8) Recreation lease or associated club membership:

20 (a) If any recreational facilities or other facilities
21 offered by the developer and available to, or to be used by,
22 unit owners are to be leased or have club membership
23 associated, the following statement in conspicuous type shall
24 be included: THERE IS A RECREATIONAL FACILITIES LEASE
25 ASSOCIATED WITH THIS CONDOMINIUM; or, THERE IS A CLUB
26 MEMBERSHIP ASSOCIATED WITH THIS CONDOMINIUM. There shall be a
27 reference to the location in the disclosure materials where
28 the recreation lease or club membership is described in
29 detail.

30 (b) If it is mandatory that unit owners pay a fee,
31 rent, dues, or other charges under a recreational facilities

1 lease or club membership for the use of facilities, there
2 shall be in conspicuous type the applicable statement:

3 1. MEMBERSHIP IN THE RECREATIONAL FACILITIES CLUB IS
4 MANDATORY FOR UNIT OWNERS; or

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

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

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

15

16 Immediately following the applicable statement, the location
17 in the disclosure materials where the development is described
18 in detail shall be stated.

19 (c) If the developer, or any other person other than
20 the unit owners and other persons having use rights in the
21 facilities, reserves, or is entitled to receive, any rent,
22 fee, or other payment for the use of the facilities, then
23 there shall be the following statement in conspicuous type:
24 THE UNIT OWNERS OR THE ASSOCIATION(S) MUST PAY RENT OR LAND
25 USE FEES FOR RECREATIONAL OR OTHER COMMONLY USED FACILITIES.

26 Immediately following this statement, the location in the
27 disclosure materials where the rent or land use fees are
28 described in detail shall be stated.

29 (d) If, in any recreation format, whether leasehold,
30 club, or other, any person other than the association has the
31 right to a lien on the units to secure the payment of

1 assessments, rent, or other exactions, there shall appear a
2 statement in conspicuous type in substantially the following
3 form:

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

8 2. THERE IS A LIEN OR LIEN RIGHT AGAINST EACH UNIT TO
9 SECURE THE PAYMENT OF ASSESSMENTS OR OTHER EXACTIONS COMING
10 DUE FOR THE USE, MAINTENANCE, UPKEEP, OR REPAIR OF THE
11 RECREATIONAL OR COMMONLY USED FACILITIES. THE UNIT OWNER'S
12 FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF
13 THE LIEN.

14
15 Immediately following the applicable statement, the location
16 in the disclosure materials where the lien or lien right is
17 described in detail shall be stated.

18 (9) If the developer or any other person has the right
19 to increase or add to the recreational facilities at any time
20 after the establishment of the condominium whose unit owners
21 have use rights therein, without the consent of the unit
22 owners or associations being required, there shall appear a
23 statement in conspicuous type in substantially the following
24 form: RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED WITHOUT
25 CONSENT OF UNIT OWNERS OR THE ASSOCIATION(S). Immediately
26 following this statement, the location in the disclosure
27 materials where such reserved rights are described shall be
28 stated.

29 (10) A statement of whether the developer's plan
30 includes a program of leasing units rather than selling them,
31 or leasing units and selling them subject to such leases. If

1 so, there shall be a description of the plan, including the
2 number and identification of the units and the provisions and
3 term of the proposed leases, and a statement in boldfaced type
4 that: THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE.

5 (11) The arrangements for management of the
6 association and maintenance and operation of the condominium
7 property and of other property that will serve the unit owners
8 of the condominium property, and a description of the
9 management contract and all other contracts for these purposes
10 having a term in excess of 1 year, including the following:

11 (a) The names of contracting parties.

12 (b) The term of the contract.

13 (c) The nature of the services included.

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

16 (e) A reference to the volumes and pages of the
17 condominium documents and of the exhibits containing copies of
18 such contracts.

19
20 Copies of all described contracts shall be attached as
21 exhibits. If there is a contract for the management of the
22 condominium property, then a statement in conspicuous type in
23 substantially the following form shall appear, identifying the
24 proposed or existing contract manager: THERE IS (IS TO BE) A
25 CONTRACT FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY WITH
26 (NAME OF THE CONTRACT MANAGER). Immediately following this
27 statement, the location in the disclosure materials of the
28 contract for management of the condominium property shall be
29 stated.

30 (12) If the developer or any other person or persons
31 other than the unit owners has the right to retain control of

1 the board of administration of the association for a period of
2 time which can exceed 1 year after the closing of the sale of
3 a majority of the units in that condominium to persons other
4 than successors or alternate developers, then a statement in
5 conspicuous type in substantially the following form shall be
6 included: THE DEVELOPER (OR OTHER PERSON) HAS THE RIGHT TO
7 RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE
8 UNITS HAVE BEEN SOLD. Immediately following this statement,
9 the location in the disclosure materials where this right to
10 control is described in detail shall be stated.

11 (13) If there are any restrictions upon the sale,
12 transfer, conveyance, or leasing of a unit, then a statement
13 in conspicuous type in substantially the following form shall
14 be included: THE SALE, LEASE, OR TRANSFER OF UNITS IS
15 RESTRICTED OR CONTROLLED. Immediately following this
16 statement, the location in the disclosure materials where the
17 restriction, limitation, or control on the sale, lease, or
18 transfer of units is described in detail shall be stated.

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

21 (a) A statement in conspicuous type in substantially
22 the following form: THIS IS A PHASE CONDOMINIUM. ADDITIONAL
23 LAND AND UNITS MAY BE ADDED TO THIS CONDOMINIUM. Immediately
24 following this statement, the location in the disclosure
25 materials where the phasing is described shall be stated.

26 (b) A summary of the provisions of the declaration
27 which provide for the phasing.

28 (c) A statement as to whether or not residential
29 buildings and units which are added to the condominium may be
30 substantially different from the residential buildings and
31 units originally in the condominium. If the added residential

1 buildings and units may be substantially different, there
2 shall be a general description of the extent to which such
3 added residential buildings and units may differ, and a
4 statement in conspicuous type in substantially the following
5 form shall be included: BUILDINGS AND UNITS WHICH ARE ADDED TO
6 THE CONDOMINIUM MAY BE SUBSTANTIALLY DIFFERENT FROM THE OTHER
7 BUILDINGS AND UNITS IN THE CONDOMINIUM. Immediately following
8 this statement, the location in the disclosure materials where
9 the extent to which added residential buildings and units may
10 substantially differ is described shall be stated.

11 (d) A statement of the maximum number of buildings
12 containing units, the maximum and minimum numbers of units in
13 each building, the maximum number of units, and the minimum
14 and maximum square footage of the units that may be contained
15 within each parcel of land which may be added to the
16 condominium.

17 (15) If a condominium created on or after July 1,
18 2000, is or may become part of a multicondominium, the
19 following information must be provided:

20 (a) A statement in conspicuous type in substantially
21 the following form: THIS CONDOMINIUM IS (MAY BE) PART OF A
22 MULTICONDOMINIUM DEVELOPMENT IN WHICH OTHER CONDOMINIUMS WILL
23 (MAY) BE OPERATED BY THE SAME ASSOCIATION. Immediately
24 following this statement, the location in the prospectus or
25 offering circular and its exhibits where the multicondominium
26 aspects of the offering are described must be stated.

27 (b) A summary of the provisions in the declaration,
28 articles of incorporation, and bylaws which establish and
29 provide for the operation of the multicondominium, including a
30 statement as to whether unit owners in the condominium will
31 have the right to use recreational or other facilities located

1 or planned to be located in other condominiums operated by the
2 same association, and the manner of sharing the common
3 expenses related to such facilities.

4 (c) A statement of the minimum and maximum number of
5 condominiums, and the minimum and maximum number of units in
6 each of those condominiums, which will or may be operated by
7 the association, and the latest date by which the exact number
8 will be finally determined.

9 (d) A statement as to whether any of the condominiums
10 in the multicondominium may include units intended to be used
11 for nonresidential purposes and the purpose or purposes
12 permitted for such use.

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

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

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

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

22 (17) A summary of the restrictions, if any, to be
23 imposed on units concerning the use of any of the condominium
24 property, including statements as to whether there are
25 restrictions upon children and pets, and reference to the
26 volumes and pages of the condominium documents where such
27 restrictions are found, or if such restrictions are contained
28 elsewhere, then a copy of the documents containing the
29 restrictions shall be attached as an exhibit.

30 (18) If there is any land that is offered by the
31 developer for use by the unit owners and that is neither owned

1 by them nor leased to them, the association, or any entity
2 controlled by unit owners and other persons having the use
3 rights to such land, a statement shall be made as to how such
4 land will serve the condominium. If any part of such land will
5 serve the condominium, the statement shall describe the land
6 and the nature and term of service, and the declaration or
7 other instrument creating such servitude shall be included as
8 an exhibit.

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

13 (20) An explanation of the manner in which the
14 apportionment of common expenses and ownership of the common
15 elements has been determined.

16 (21) An estimated operating budget for the condominium
17 and the association, and a schedule of the unit owner's
18 expenses shall be attached as an exhibit and shall contain the
19 following information:

20 (a) The estimated monthly and annual expenses of the
21 condominium and the association that are collected from unit
22 owners by assessments.

23 (b) The estimated monthly and annual expenses of each
24 unit owner for a unit, other than common expenses paid by all
25 unit owners, payable by the unit owner to persons or entities
26 other than the association, as well as to the association,
27 including fees assessed pursuant to s. 718.113(1) for
28 maintenance of limited common elements where such costs are
29 shared only by those entitled to use the limited common
30 element, and the total estimated monthly and annual expense.
31 There may be excluded from this estimate expenses which are

1 not provided for or contemplated by the condominium documents,
2 including, but not limited to, the costs of private telephone;
3 maintenance of the interior of condominium units, which is not
4 the obligation of the association; maid or janitorial services
5 privately contracted for by the unit owners; utility bills
6 billed directly to each unit owner for utility services to his
7 or her unit; insurance premiums other than those incurred for
8 policies obtained by the condominium; and similar personal
9 expenses of the unit owner. A unit owner's estimated payments
10 for assessments shall also be stated in the estimated amounts
11 for the times when they will be due.

12 (c) The estimated items of expenses of the condominium
13 and the association, except as excluded under paragraph (b),
14 including, but not limited to, the following items, which
15 shall be stated either as an association expense collectible
16 by assessments or as unit owners' expenses payable to persons
17 other than the association:

- 18 1. Expenses for the association and condominium:
 - 19 a. Administration of the association.
 - 20 b. Management fees.
 - 21 c. Maintenance.
 - 22 d. Rent for recreational and other commonly used
23 facilities.
 - 24 e. Taxes upon association property.
 - 25 f. Taxes upon leased areas.
 - 26 g. Insurance.
 - 27 h. Security provisions.
 - 28 i. Other expenses.
 - 29 j. Operating capital.
 - 30 k. Reserves.
 - 31 l. Fees payable to the division.

- 1 2. Expenses for a unit owner:
- 2 a. Rent for the unit, if subject to a lease.
- 3 b. Rent payable by the unit owner directly to the
- 4 lessor or agent under any recreational lease or lease for the
- 5 use of commonly used facilities, which use and payment is a
- 6 mandatory condition of ownership and is not included in the
- 7 common expense or assessments for common maintenance paid by
- 8 the unit owners to the association.
- 9 (d) The estimated amounts shall be stated for a period
- 10 of at least 12 months and may distinguish between the period
- 11 prior to the time unit owners other than the developer elect a
- 12 majority of the board of administration and the period after
- 13 that date.
- 14 (22) A schedule of estimated closing expenses to be
- 15 paid by a buyer or lessee of a unit and a statement of whether
- 16 title opinion or title insurance policy is available to the
- 17 buyer and, if so, at whose expense.
- 18 (23) The identity of the developer and the chief
- 19 operating officer or principal directing the creation and sale
- 20 of the condominium and a statement of its and his or her
- 21 experience in this field.
- 22 (24) Copies of the following, to the extent they are
- 23 applicable, shall be included as exhibits:
- 24 (a) The declaration of condominium, or the proposed
- 25 declaration if the declaration has not been recorded.
- 26 (b) The articles of incorporation creating the
- 27 association.
- 28 (c) The bylaws of the association.
- 29 (d) The ground lease or other underlying lease of the
- 30 condominium.
- 31

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

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

7 (g) A copy of the floor plan of the unit and the plot
8 plan showing the location of the residential buildings and the
9 recreation and other common areas.

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

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

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

16 (k) A declaration of servitude of properties serving
17 the condominium but not owned by unit owners or leased to them
18 or the association.

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

22 (m) The statement of inspection for termite damage and
23 treatment of the existing improvements, if the condominium is
24 a conversion.

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

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

28 (p) A copy of the documents containing any
29 restrictions on use of the property required by subsection
30 (17).

31

1 (25) Any prospectus or offering circular complying,
2 prior to the effective date of this act, with the provisions
3 of former ss. 711.69 and 711.802 may continue to be used
4 without amendment or may be amended to comply with the
5 provisions of this chapter.

6 (26) A brief narrative description of the location and
7 effect of all existing and intended easements located or to be
8 located on the condominium property other than those described
9 in the declaration.

10 (27) If the developer is required by state or local
11 authorities to obtain acceptance or approval of any dock or
12 marina facilities intended to serve the condominium, a copy of
13 any such acceptance or approval acquired by the time of filing
14 with the division under s. 718.502(1) or a statement that such
15 acceptance or approval has not been acquired or received.

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

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

23 Section 17. All of the records, personnel, property,
24 and unexpended balances of appropriations, allocations, or
25 other funds for the administration of part VIII of chapter
26 468, Florida Statutes, shall be transferred by a type two
27 transfer as defined in section 20.06(2), Florida Statutes,
28 from the Division of Professions of the Department of Business
29 and Professional Regulation to the Division of Florida Land
30 Sales, Condominiums, and Mobile Homes of the Department of
31 Business and Professional Regulation.

1 Section 18. The Department of Business and
2 Professional Regulation may continue to prosecute any existing
3 legal proceedings and related administrative cases that are in
4 existence on the effective date of this act.

5 Section 19. Section 718.510, Florida Statutes, is
6 created to read:

7 718.510 Condominium Owners' Bill of Rights.--The
8 division shall adopt rules to provide for a brochure entitled
9 "Condominium Owners' Bill of Rights," which shall explain what
10 rights are afforded to condominium owners and potential
11 purchasers of condominiums under this chapter. It is the
12 intent of the Legislature that this brochure be widely
13 distributed and as conveniently available as possible.

14 Section 20. This act shall take effect upon becoming a
15 law.

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