

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 747 w/CS Fire Sprinklers/Condos/Cooperatives
SPONSOR(S): Representative Culp
TIED BILLS: **IDEN./SIM. BILLS:** SB 1938

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Local Government & Veterans' Affairs</u>	<u>15 Y, 1 N w/CS</u>	<u>Morris</u>	<u>Cutchins</u>
2) <u>Judiciary</u>	<u></u>	<u></u>	<u></u>
3) <u></u>	<u></u>	<u></u>	<u></u>
4) <u></u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

This bill amends voting and notice procedures of cooperatives and condominium associations in regards to retrofitting common areas with fire sprinkler systems.

The bill does not appear to have a fiscal impact on state or local governments.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|---|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. EFFECT OF PROPOSED CHANGES:

Currently, cooperatives and condominium associations have the option to forego retrofitting the common areas of buildings with enhanced fire protection systems if approved by a two-thirds vote of all voting interests. High-rise buildings, which stand taller than 75 feet, do not have the option to forego retrofitting. In some instances¹ condominium and cooperative associations are authorized to accept general (any issue) and limited (specific issue) proxy votes from an individual appointed by a unit owner to vote for the unit owner in the event he or she cannot be present during association meetings to cast his or her personal votes. However, neither general nor limited proxy votes are allowed on votes to forego sprinkler system retrofitting.

This bill allows limited proxy and ballot voting on the foregoing of retrofitting enhanced fire protection systems. It also revises the notice provision related to retrofitting votes from an after-the-fact notification of the vote on the issue by certified mail, to a 14 day advance notification of the meeting at which the vote will be taken, to be sent by mail, hand delivery, or electronic transmission.

The bill also eliminates the requirement of condominium and cooperative owners to inform new tenants, and/or new owners, of the retrofitting status of a building. This puts the burden on the buyer or renter to search public records.

C. SECTION DIRECTORY:

Section 1 amends subparagraph (1), of paragraph (l), of subsection (2), of s. 718.112, F.S., to allow unit owners of condominiums to vote on foregoing retrofitting the common areas via limited proxy or ballot.

Section 1 also identifies acceptable forms of notification, including electronic notification, to owners for meetings regarding retrofitting. Furthermore, section one eliminates notice requirements for condominium and cooperative owners to inform new tenants, and/or new owners, of the vote to forego retrofitting of a building.

Section 2 amends paragraph (a), of subsection (5), of section 719.1055, F.S., to provide identical language for cooperatives as provided for condominiums in section 1.

Section 3 provides effective date upon becoming a law.

¹ Paragraph (b) of ss. (2) of s. 718.112, F.S., and paragraph (b), of ss. (1), of s. 719.106, F.S.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill removes the requirement of notice by certified mail, which costs more money to condominium and cooperative associations than notification by regular mail, hand delivery, or electronic means.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

N/A

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

The Committee on Local Government & Veterans' Affairs adopted one amendment and passed the bill on March 3, 2004. The amendment clarifies the requirement of noticing for meetings that will discuss retrofitting common areas with fire sprinkler systems.