

By the Committees on Community Affairs; Regulated Industries;  
and Senator Villalobos

578-2666-07

1                                   A bill to be entitled  
2           An act relating to community associations;  
3           amending s. 718.104, F.S.; revising required  
4           contents of a condominium declaration; amending  
5           s. 718.110, F.S.; requiring that notice of  
6           proposed amendments be provided to unit owners;  
7           amending s. 718.111, F.S.; providing  
8           authorization for condominium associations to  
9           access units for specified purposes; requiring  
10          that official records of the association be  
11          made available at certain locations; providing  
12          that certain records may not be accessible to  
13          unit owners; removing the requirement that the  
14          association's annual financial report be  
15          provided only to unit owners providing a  
16          written request for the report; restricting a  
17          condominium association from waiving a  
18          financial report for more than 2 years;  
19          providing duties for condominium boards of  
20          administration in the event of certain  
21          casualties; providing that certain assessments  
22          may be made against unit owners under certain  
23          conditions; amending s. 718.112, F.S.;  
24          authorizing the board or membership to  
25          determine the composition of the board of  
26          administration under certain circumstances;  
27          requiring members of the board of  
28          administration to be unit owners, absent  
29          provisions indicating board member  
30          requirements; requiring the board to respond to  
31          certain inquiries by certified mail, return

1 receipt requested; authorizing a condominium  
2 association to respond only twice every 30 days  
3 to unit owner inquiries; providing board of  
4 administration and unit owners' meeting  
5 requirements; requiring the board to address  
6 certain agenda items proposed by a petition of  
7 20 percent of the unit owners; revising notice  
8 procedures; revising the terms of office and  
9 reelection of the members of a condominium  
10 association board; providing that certain  
11 persons providing notice of a meeting must  
12 provide an affidavit affirming that the notices  
13 were delivered; authorizing the association's  
14 representative to provide certain notices;  
15 providing for the securing of ballots; revising  
16 procedures relating to the filling of a vacancy  
17 on the board; removing a provision allowing an  
18 association to provide for different voting and  
19 election procedures in its bylaws; providing  
20 unit owners with the right to have items placed  
21 on the agenda of the annual meeting and voted  
22 upon under certain conditions; requiring the  
23 association to prepare an annual budget of  
24 estimated revenues and expenses; requiring the  
25 budget to include reserve accounts for certain  
26 purposes; requiring that certain ballot  
27 statements contain certain statements;  
28 requiring a vote to provide for no reserves or  
29 percentage of reserves to be made at certain  
30 times; authorizing the association to use  
31 reserve funds for nonscheduled purposes under

1 certain conditions; prohibiting the board from  
2 applying for or accepting certain loans or  
3 lines of credit; requiring that common expenses  
4 be paid by the developer during a specified  
5 time; requiring that assessments be made  
6 against units on a quarter-annual or more  
7 frequent basis; providing that certain  
8 provisions may not preclude the right of an  
9 association to accelerate assessments of  
10 certain owners delinquent in payment of common  
11 expenses; providing that accelerated  
12 assessments are due and payable after the claim  
13 of lien is filed; revising assessment  
14 requirements; deleting the requirement that the  
15 bylaws include an element for mandatory  
16 nonbinding arbitration; amending s. 718.113,  
17 F.S.; requiring boards of administration to  
18 adopt or restate hurricane shutter  
19 specifications yearly at the annual meeting;  
20 authorizing the board to install hurricane  
21 protection that complies with the applicable  
22 building code; requiring the board to have the  
23 condominium buildings periodically inspected  
24 for structural and electrical soundness by a  
25 professional engineer or professional architect  
26 registered in the state; requiring the  
27 inspector to provide a report to the  
28 association and unit owners; prohibiting the  
29 board from prohibiting the display of certain  
30 religious items on the front-door area of a  
31 unit; creating s. 718.1224, F.S.; prohibiting

1 certain lawsuits arising from unit owners'  
2 appearances and presentations before a  
3 governmental entity; providing a definition;  
4 providing for award of damages and attorney's  
5 fees; amending s. 718.1255, F.S.; requiring the  
6 division to promptly refer certain cases to  
7 mediation; creating s. 718.1257, F.S.;  
8 providing that condominium unit owners and  
9 renters have the right to own a companion  
10 animal and to have that animal live with them  
11 under specified conditions; amending s.  
12 718.302, F.S.; conforming provisions; amending  
13 s. 718.3025, F.S.; providing requirements for  
14 certain contracts between a party contracting  
15 to provide maintenance or management services  
16 and an association; amending s. 718.3026, F.S.;  
17 providing that certain contracts between a  
18 service provider and an association may not be  
19 for a term in excess of 3 years and may not  
20 contain an automatic renewal clause; requiring  
21 that certain contracts for construction occur  
22 under the advisement of an attorney; amending  
23 s. 718.303, F.S.; requiring hearings to levy  
24 fines to be held before a committee of unit  
25 owners who are not members of the board;  
26 requiring that persons subject to certain  
27 actions be notified of their violations in a  
28 certain manner; providing a timeframe within  
29 which a person must respond; authorizing the  
30 budget to include reserve accounts for capital  
31 expenditures and deferred maintenance;

1 providing a formula for calculating the amount  
2 to be reserved; authorizing the association to  
3 adjust replacement reserve assessments  
4 annually; authorizing the developer to vote to  
5 waive the reserves or reduce the funding of  
6 reserves for a certain period; revising  
7 provisions relating to financial reporting;  
8 revising time periods in which the association  
9 must complete its reporting; amending s.  
10 718.404, F.S.; providing for retroactive  
11 application of certain provisions; amending s.  
12 718.501, F.S.; requiring the division to  
13 prepare and disseminate a prospectus and other  
14 information for use by owners, purchasers,  
15 lessees, and developers of residential  
16 condominiums; providing that the board member  
17 training provided by the division shall be  
18 provided in conjunction with recommendations by  
19 the ombudsman; providing powers and duties of  
20 the division with respect to association  
21 violations; requiring associations to provide  
22 certain notice and to participate in certain  
23 educational training; amending s. 718.5011,  
24 F.S.; restricting location of the Office of the  
25 Condominium Ombudsman; providing that the  
26 ombudsman shall exercise his or her  
27 policymaking and other functions independently  
28 of the Department of Business and Professional  
29 Regulation and without approval or control of  
30 the department; requiring the department to  
31 render administrative support for certain

1 matters; requiring that revenues collected by  
2 the department for the Office of the  
3 Condominium Ombudsman be deposited in a  
4 separate fund or account under specified  
5 conditions; amending s. 718.5012, F.S.;  
6 removing requirements that the ombudsman  
7 develop certain policies and procedures;  
8 providing additional powers and duties of the  
9 ombudsman; amending s. 718.504, F.S.; revising  
10 and providing information to be contained in  
11 the condominium prospectus or offering  
12 circular; amending s. 720.303, F.S.; revising  
13 procedures used in preparing the association's  
14 annual financial report; amending s. 720.307,  
15 F.S., relating to transition of association  
16 control in a community; revising criteria with  
17 respect to election of members to the board of  
18 directors; requiring certain developers and  
19 owners to convey title to all common areas  
20 prior to turnover; revising requirements for  
21 turnover of documents; requiring that certain  
22 information be included in the records and that  
23 the records be prepared in a specified manner;  
24 revising application to include certain  
25 associations; amending s. 720.3075, F.S.;  
26 prohibiting associations from restricting the  
27 use of hurricane shutters in certain  
28 circumstances; requiring a developer who rents  
29 or leases any unsold units in a condominium to  
30 pay all monthly maintenance fees on those units  
31 to the association as if the units were owned

1 by individual owners; providing an effective  
2 date.

3  
4 Be It Enacted by the Legislature of the State of Florida:

5  
6 Section 1. Paragraph (f) of subsection (4) of section  
7 718.104, Florida Statutes, is amended to read:

8 718.104 Creation of condominiums; contents of  
9 declaration.--Every condominium created in this state shall be  
10 created pursuant to this chapter.

11 (4) The declaration must contain or provide for the  
12 following matters:

13 (f) The undivided share of ownership of the common  
14 elements and common surplus of the condominium that is  
15 appurtenant to each unit stated as a percentage or a fraction  
16 of the whole. In the declaration of condominium for  
17 residential condominiums created after April 1, 2007 ~~1992~~, the  
18 ownership share of the common elements assigned to each  
19 residential unit shall be based ~~either~~ upon the total square  
20 footage of each residential unit in uniform relationship to  
21 the total square footage of each other residential unit in the  
22 condominium ~~or on an equal fractional basis~~.

23 Section 2. Paragraph (d) is added to subsection (1) of  
24 section 718.110, Florida Statutes, to read:

25 718.110 Amendment of declaration; correction of error  
26 or omission in declaration by circuit court.--

27 (1)

28 (d) Notice of a proposed amendment to the declaration  
29 shall be sent to the unit owner by certified mail.

30 Section 3. Subsection (5), paragraph (b) of subsection  
31 (7), paragraphs (b) and (c) of subsection (12), and subsection

1 (13) of section 718.111, Florida Statutes, are amended, and  
2 subsection (15) is added to that section, to read:

3 718.111 The association.--

4 (5) RIGHT OF ACCESS TO UNITS.--The association has the  
5 irrevocable right of access to each unit during reasonable  
6 hours, when necessary for the maintenance, repair, or  
7 replacement of any common elements or of any portion of a unit  
8 to be maintained by the association pursuant to the  
9 declaration or as necessary to prevent damage to the common  
10 elements or to a unit or units. Except in cases of emergency,  
11 the association must give the unit owner 24 hours' advance  
12 written notice of intent to access the unit.

13 (7) TITLE TO PROPERTY.--

14 (b) Subject to the provisions of s. 718.112(2)~~(m)~~, the  
15 association, through its board, has the limited power to  
16 convey a portion of the common elements to a condemning  
17 authority for the purposes of providing utility easements,  
18 right-of-way expansion, or other public purposes, whether  
19 negotiated or as a result of eminent domain proceedings.

20 (12) OFFICIAL RECORDS.--

21 (b) The official records of the association shall be  
22 maintained with the state, the records of the association  
23 shall be made available to a unit owner, at a location within  
24 the county in which the condominium property is located,  
25 within 5 working days after receipt of written request by the  
26 board or its designee. This paragraph may be complied with by  
27 having a copy of the official records of the association  
28 available for inspection or copying on the condominium  
29 property or association property.

30 (c) The official records of the association are open  
31 to inspection by any association member or the authorized



1 | representative of such member at all reasonable times. The  
2 | right to inspect the records includes the right to make or  
3 | obtain copies, at the reasonable expense, if any, of the  
4 | association member. The association may adopt reasonable rules  
5 | regarding the frequency, time, location, notice, and manner of  
6 | record inspections and copying. The failure of an association  
7 | to provide the records within 10 working days after receipt of  
8 | a written request shall create a rebuttable presumption that  
9 | the association willfully failed to comply with this  
10 | paragraph. A unit owner who is denied access to official  
11 | records is entitled to the actual damages or minimum damages  
12 | for the association's willful failure to comply with this  
13 | paragraph. The minimum damages shall be \$50 per calendar day  
14 | up to 10 days, the calculation to begin on the 11th working  
15 | day after receipt of the written request. The failure to  
16 | permit inspection of the association records as provided  
17 | herein entitles any person prevailing in an enforcement action  
18 | to recover reasonable attorney's fees from the person in  
19 | control of the records who, directly or indirectly, knowingly  
20 | denied access to the records for inspection. The association  
21 | shall maintain an adequate number of copies of the  
22 | declaration, articles of incorporation, bylaws, and rules, and  
23 | all amendments to each of the foregoing, as well as the  
24 | question and answer sheet provided for in s. 718.504 and  
25 | year-end financial information required in this section on the  
26 | condominium property to ensure their availability to unit  
27 | owners and prospective purchasers, and may charge its actual  
28 | costs for preparing and furnishing these documents to those  
29 | requesting the same. Notwithstanding the provisions of this  
30 | paragraph, the following records shall not be accessible to  
31 | unit owners:

1           1. Any record protected by the lawyer-client privilege  
2 as described in s. 90.502; and any record protected by the  
3 work-product privilege, including any record prepared by an  
4 association attorney or prepared at the attorney's express  
5 direction; which reflects a mental impression, conclusion,  
6 litigation strategy, or legal theory of the attorney or the  
7 association, and which was prepared exclusively for civil or  
8 criminal litigation or for adversarial administrative  
9 proceedings, or which was prepared in anticipation of imminent  
10 civil or criminal litigation or imminent adversarial  
11 administrative proceedings until the conclusion of the  
12 litigation or adversarial administrative proceedings.

13           2. Information obtained by an association in  
14 connection with the approval of the lease, sale, or other  
15 transfer of a unit.

16           3. Medical records of unit owners.

17           4. Social security numbers, driver's license numbers,  
18 credit card numbers, and other personal identifying  
19 information of unit owners, occupants, or tenants.

20           (13) FINANCIAL REPORTING.--Within 90 days after the  
21 end of the fiscal year, or annually on a date provided in the  
22 bylaws, the association shall prepare and complete, or  
23 contract for the preparation and completion of, a financial  
24 report for the preceding fiscal year. Within 21 days after  
25 the final financial report is completed by the association or  
26 received from the third party, but not later than 120 days  
27 after the end of the fiscal year or other date as provided in  
28 the bylaws, the association shall mail to each unit owner at  
29 the address last furnished to the association by the unit  
30 owner, or hand deliver to each unit owner, a copy of the  
31 financial report or a notice that a copy of the financial

1 report will be mailed or hand delivered to the unit owner,  
2 without charge, ~~upon receipt of a written request from the~~  
3 ~~unit owner~~. The division shall adopt rules setting forth  
4 uniform accounting principles and standards to be used by all  
5 associations and shall adopt rules addressing financial  
6 reporting requirements for multicondominium associations. In  
7 adopting such rules, the division shall consider the number of  
8 members and annual revenues of an association. Financial  
9 reports shall be prepared as follows:

10 (a) An association that meets the criteria of this  
11 paragraph shall prepare or cause to be prepared a complete set  
12 of financial statements in accordance with generally accepted  
13 accounting principles. The financial statements shall be based  
14 upon the association's total annual revenues, as follows:

15 1. An association with total annual revenues of  
16 \$100,000 or more, but less than \$200,000, shall prepare  
17 compiled financial statements.

18 2. An association with total annual revenues of at  
19 least \$200,000, but less than \$400,000, shall prepare reviewed  
20 financial statements.

21 3. An association with total annual revenues of  
22 \$400,000 or more shall prepare audited financial statements.

23 (b)1. An association with total annual revenues of  
24 less than \$100,000 shall prepare a report of cash receipts and  
25 expenditures.

26 2. An association which operates less than 50 units,  
27 regardless of the association's annual revenues, shall prepare  
28 a report of cash receipts and expenditures in lieu of  
29 financial statements required by paragraph (a).

30 3. A report of cash receipts and disbursements must  
31 disclose the amount of receipts by accounts and receipt

1 | classifications and the amount of expenses by accounts and  
2 | expense classifications, including, but not limited to, the  
3 | following, as applicable: costs for security, professional and  
4 | management fees and expenses, taxes, costs for recreation  
5 | facilities, expenses for refuse collection and utility  
6 | services, expenses for lawn care, costs for building  
7 | maintenance and repair, insurance costs, administration and  
8 | salary expenses, and reserves accumulated and expended for  
9 | capital expenditures, deferred maintenance, and any other  
10 | category for which the association maintains reserves.

11 |       (c) An association may prepare or cause to be  
12 | prepared, without a meeting of or approval by the unit owners:

13 |           1. Compiled, reviewed, or audited financial  
14 | statements, if the association is required to prepare a report  
15 | of cash receipts and expenditures;

16 |           2. Reviewed or audited financial statements, if the  
17 | association is required to prepare compiled financial  
18 | statements; or

19 |           3. Audited financial statements if the association is  
20 | required to prepare reviewed financial statements.

21 |       (d) If approved by a majority of the voting interests  
22 | present at a properly called meeting of the association, an  
23 | association may prepare or cause to be prepared:

24 |           1. A report of cash receipts and expenditures in lieu  
25 | of a compiled, reviewed, or audited financial statement;

26 |           2. A report of cash receipts and expenditures or a  
27 | compiled financial statement in lieu of a reviewed or audited  
28 | financial statement; or

29 |           3. A report of cash receipts and expenditures, a  
30 | compiled financial statement, or a reviewed financial  
31 | statement in lieu of an audited financial statement.

1  
2 Such meeting and approval must occur prior to the end of the  
3 fiscal year and is effective only for the fiscal year in which  
4 the vote is taken. With respect to an association to which the  
5 developer has not turned over control of the association, all  
6 unit owners, including the developer, may vote on issues  
7 related to the preparation of financial reports for the first  
8 2 fiscal years of the association's operation, beginning with  
9 the fiscal year in which the declaration is recorded.  
10 Thereafter, all unit owners except the developer may vote on  
11 such issues until control is turned over to the association by  
12 the developer. An association or board of administration may  
13 not waive the financial reporting requirements of this section  
14 for more than 2 consecutive years.

15 (15) RECONSTRUCTION AFTER CASUALTY.--

16 (a) If the condominium property and units are damaged  
17 after a casualty, the board of administration shall obtain  
18 reliable and detailed estimates of the cost necessary to  
19 repair and replace the damaged property to substantially the  
20 same condition existing immediately before the casualty and  
21 substantially in accordance with the original plans and  
22 specifications of the condominium as soon as possible and not  
23 later than 60 days after the casualty. If the damage to the  
24 condominium property exceeds 50 percent of the property's  
25 value, the condominium may be terminated unless 75 percent of  
26 the unit owners agree to reconstruction and repair within 90  
27 days after the casualty.

28 (b) The board of administration shall engage the  
29 services of a registered architect and knowledgeable  
30 construction specialists to prepare any necessary plans and  
31 specifications and shall receive and approve bids for

1 reconstruction, execute all necessary contracts for  
2 restoration, and arrange for disbursement of construction  
3 funds, the approval of work, and all other matters pertaining  
4 to the repairs and reconstruction required.

5 (c) If the proceeds of the hazard insurance policy  
6 maintained by the association under paragraph (11)(b) are  
7 insufficient to pay the estimated costs of reconstruction or  
8 at any time during reconstruction and repair, assessments  
9 shall be made against all unit owners according to their share  
10 of the common elements and expenses as set forth in the  
11 declaration of condominium.

12 (d) Assessments shall be made against unit owners for  
13 damage to their units according to the cost of reconstruction  
14 or repair of their respective units. The assessments shall be  
15 levied and collected as all other assessments are provided for  
16 in this chapter.

17 Section 4. Subsection (2) of section 718.112, Florida  
18 Statutes, is amended to read:

19 718.112 Bylaws.--

20 (2) REQUIRED PROVISIONS.--The bylaws of the  
21 association shall provide for the following and, if they do  
22 not do so, shall be deemed to include the following:

23 (a) Administration.--

24 1. The form of administration of the association shall  
25 be described indicating the title of the officers and board of  
26 administration and specifying the powers, duties, manner of  
27 selection and removal, and compensation, if any, of officers  
28 and boards. In the absence of such a provision or  
29 determination by the board or membership, the board of  
30 administration shall be composed of five members who are unit  
31 owners, except in the case of a condominium which has five or

1 fewer units, in which case in a not-for-profit corporation the  
2 board shall consist of not fewer than three members who are  
3 unit owners. In the absence of provisions to the contrary in  
4 the bylaws, the board of administration shall have a  
5 president, a secretary, and a treasurer, who shall perform the  
6 duties of such officers customarily performed by officers of  
7 corporations. Unless prohibited in the bylaws, the board of  
8 administration may appoint other officers and grant them the  
9 duties it deems appropriate. Unless otherwise provided in the  
10 bylaws, the officers shall serve without compensation and at  
11 the pleasure of the board of administration. Unless otherwise  
12 provided in the bylaws, the members of the board shall serve  
13 without compensation.

14           2. When a unit owner files a written inquiry by  
15 certified mail with the board of administration, the board  
16 shall respond in writing by certified mail, return receipt  
17 requested, to the unit owner within 30 days after ~~of~~ receipt  
18 of the inquiry. The board's response shall either give a  
19 substantive response to the inquirer, notify the inquirer that  
20 a legal opinion has been requested, or notify the inquirer  
21 that advice has been requested from the division. If the board  
22 requests advice from the division, the board shall, within 10  
23 days after ~~of~~ its receipt of the advice, provide in writing by  
24 certified mail a substantive response to the inquirer. If a  
25 legal opinion is requested, the board shall, within 60 days  
26 after the receipt of the inquiry, provide in writing by  
27 certified mail a substantive response to the inquiry. The  
28 failure to provide a substantive response to the inquiry as  
29 provided herein precludes the board from recovering attorney's  
30 fees and costs in any subsequent litigation, administrative  
31 proceeding, or arbitration arising out of the inquiry. The

1 association may through its board of administration adopt  
2 reasonable rules and regulations regarding the frequency and  
3 manner of responding to unit owner inquiries, one of which may  
4 be that the association is only obligated to respond to two  
5 ~~one~~ written inquiries ~~inquiry~~ per unit in any given 30-day  
6 period. In such a case, any additional inquiry or inquiries  
7 must be responded to in the subsequent 30-day period, or  
8 periods, as applicable.

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

10 1. Unless a lower number is provided in the bylaws,  
11 the percentage of voting interests required to constitute a  
12 quorum at a meeting of the members shall be a majority of the  
13 voting interests. Unless otherwise provided in this chapter  
14 or in the declaration, articles of incorporation, or bylaws,  
15 and except as provided in subparagraph (d)3., decisions shall  
16 be made by owners of a majority of the voting interests  
17 represented at a meeting at which a quorum is present.

18 2. Except as specifically otherwise provided herein,  
19 after January 1, 1992, unit owners may not vote by general  
20 proxy, but may vote by limited proxies substantially  
21 conforming to a limited proxy form adopted by the division.  
22 Limited proxies and general proxies may be used to establish a  
23 quorum. Limited proxies shall be used for votes taken to waive  
24 or reduce reserves in accordance with subparagraph (f)2.; for  
25 votes taken to waive the financial reporting requirements of  
26 s. 718.111(13); for votes taken to amend the declaration  
27 pursuant to s. 718.110; for votes taken to amend the articles  
28 of incorporation or bylaws pursuant to this section; and for  
29 any other matter for which this chapter requires or permits a  
30 vote of the unit owners. ~~A Except as provided in paragraph~~  
31 ~~(d), after January 1, 1992, no proxy, limited or general, may~~



1 not shall be used in the election of board members. General  
2 proxies may be used for other matters for which limited  
3 proxies are not required, and may also be used in voting for  
4 nonsubstantive changes to items for which a limited proxy is  
5 required and given. Notwithstanding the provisions of this  
6 subparagraph, unit owners may vote in person at unit owner  
7 meetings. Nothing contained herein shall limit the use of  
8 general proxies or require the use of limited proxies for any  
9 agenda item or election at any meeting of a timeshare  
10 condominium association.

11         3. Any proxy given shall be effective only for the  
12 specific meeting for which originally given and any lawfully  
13 adjourned meetings thereof. In no event shall any proxy be  
14 valid for a period longer than 90 days after the date of the  
15 first meeting for which it was given. Every proxy is  
16 revocable at any time at the pleasure of the unit owner  
17 executing it.

18         4. A member of the board of administration or a  
19 committee may submit in writing his or her agreement or  
20 disagreement with any action taken at a meeting that the  
21 member did not attend. This agreement or disagreement may not  
22 be used as a vote for or against the action taken and may not  
23 be used for the purposes of creating a quorum.

24         5. When any of the board or committee members meet by  
25 telephone conference, those board or committee members  
26 attending by telephone conference may be counted toward  
27 obtaining a quorum and may vote by telephone. A telephone  
28 speaker must be used so that the conversation of those board  
29 or committee members attending by telephone may be heard by  
30 the board or committee members attending in person as well as  
31 by any unit owners present at a meeting.

1           (c) Board of administration meetings.--Meetings of the  
2 board of administration at which a quorum of the members is  
3 present shall be open to all unit owners. The board of  
4 administration shall address agenda items proposed by a  
5 petition of 20 percent of the unit owners submitted at least  
6 48 hours before the meeting date, in time for the directors to  
7 study and understand the agenda items, and in time to post the  
8 updated agenda before the meeting. A unit owner's facsimile  
9 signature constitutes the unit owner's original signature in  
10 any matter under this chapter that requires the unit owner's  
11 signature. Correspondence from the board of administration to  
12 unit owners shall be accomplished by the same, or a more  
13 secure, delivery method that is as secure as certified mail,  
14 return receipt requested, except as otherwise provided in this  
15 paragraph. Any unit owner may tape record or videotape  
16 meetings of the board of administration. The right to attend  
17 such meetings includes the right to speak at such meetings  
18 with reference to all designated agenda items. The division  
19 shall adopt reasonable rules governing the tape recording and  
20 videotaping of the meeting. The association may adopt written  
21 reasonable rules governing the frequency, duration, and manner  
22 of unit owner statements. Adequate notice of all meetings,  
23 which notice shall specifically incorporate an identification  
24 of agenda items, shall be posted conspicuously on the  
25 condominium property at least 48 continuous hours preceding  
26 the meeting except in an emergency. Any item not included on  
27 the notice may be taken up on an emergency basis by at least a  
28 majority plus one of the members of the board or by a petition  
29 of 20 percent of the unit owners. Such emergency action shall  
30 be noticed and ratified at the next regular meeting of the  
31 board. However, written notice of any meeting at which

1 nonemergency special assessments, or at which amendment to  
2 rules regarding unit use, will be considered shall be mailed,  
3 delivered, or electronically transmitted to the unit owners  
4 and posted conspicuously on the condominium property not less  
5 than 14 days prior to the meeting. Evidence of compliance with  
6 this 14-day notice shall be made by an affidavit executed by  
7 the person providing the notice and filed among the official  
8 records of the association. Upon notice to the unit owners,  
9 the board shall by duly adopted rule designate a specific  
10 location on the condominium property or association property  
11 upon which all notices of board meetings shall be posted. If  
12 there is no condominium property or association property upon  
13 which notices can be posted, notices of board meetings shall  
14 be mailed, delivered, or electronically transmitted at least  
15 14 days before the meeting to the owner of each unit. In lieu  
16 of or in addition to the physical posting of notice of any  
17 meeting of the board of administration on the condominium  
18 property, the association may, by reasonable rule, adopt a  
19 procedure for conspicuously posting and repeatedly  
20 broadcasting the notice and the agenda on a closed-circuit  
21 cable television system serving the condominium association.  
22 However, if broadcast notice is used in lieu of a notice  
23 posted physically on the condominium property, the notice and  
24 agenda must be broadcast at least four times every broadcast  
25 hour of each day that a posted notice is otherwise required  
26 under this section. When broadcast notice is provided, the  
27 notice and agenda must be broadcast in a manner and for a  
28 sufficient continuous length of time so as to allow an average  
29 reader to observe the notice and read and comprehend the  
30 entire content of the notice and the agenda. Notice of any  
31 meeting in which regular or special assessments against unit

1 owners are to be considered for any reason shall specifically  
2 state ~~contain a statement~~ that assessments will be considered  
3 and specify the nature, cost, and breakdown of any such  
4 assessments. Meetings of a committee to take final action on  
5 behalf of the board or make recommendations to the board  
6 regarding the association budget are subject to the provisions  
7 of this paragraph. Meetings of a committee that does not take  
8 final action on behalf of the board or make recommendations to  
9 the board regarding the association budget are subject to the  
10 provisions of this section, unless those meetings are exempted  
11 from this section by the bylaws of the association.

12 Notwithstanding any other law, the requirement that board  
13 meetings and committee meetings be open to the unit owners is  
14 inapplicable to meetings between the board or a committee and  
15 the association's attorney, with respect to proposed or  
16 pending litigation, when the meeting is held for the purpose  
17 of seeking or rendering legal advice.

18 (d) Unit owner meetings.--

19 1. There shall be an annual meeting of the unit  
20 owners. Unless the bylaws provide otherwise, a vacancy on the  
21 board caused by the expiration of a director's term shall be  
22 filled by electing a new board member, and the election shall  
23 be by secret ballot; however, if the number of vacancies  
24 equals or exceeds the number of candidates, no election is  
25 required. If there is no provision in the bylaws for terms of  
26 the members of the board, the terms of all members of the  
27 board shall expire upon the election of their successors at  
28 the annual meeting. Any unit owner desiring to be a candidate  
29 for board membership shall comply with subparagraph 3. The  
30 only prohibition against eligibility for board membership  
31 shall be for a person who has been convicted of any felony by

1 any court of record in the United States and who has not had  
2 his or her right to vote restored pursuant to law in the  
3 jurisdiction of his or her residence ~~is not eligible for board~~  
4 ~~membership~~. The validity of an action by the board is not  
5 affected if it is later determined that a member of the board  
6 is ineligible for board membership due to having been  
7 convicted of a felony.

8         2. The bylaws shall provide the method of calling  
9 meetings of unit owners, including annual meetings. Written  
10 notice, which notice must include an agenda, shall be mailed,  
11 hand delivered, or electronically transmitted to each unit  
12 owner at least 14 days prior to the annual meeting and shall  
13 be posted in a conspicuous place on the condominium property  
14 at least 14 continuous days preceding the annual meeting. Upon  
15 notice to the unit owners, the board shall by duly adopted  
16 rule designate a specific location on the condominium property  
17 or association property upon which all notices of unit owner  
18 meetings shall be posted; however, if there is no condominium  
19 property or association property upon which notices can be  
20 posted, this requirement does not apply. In lieu of or in  
21 addition to the physical posting of notice of any meeting of  
22 the unit owners on the condominium property, the association  
23 may, by reasonable rule, adopt a procedure for conspicuously  
24 posting and repeatedly broadcasting the notice and the agenda  
25 on a closed-circuit cable television system serving the  
26 condominium association. However, if broadcast notice is used  
27 in lieu of a notice posted physically on the condominium  
28 property, the notice and agenda must be broadcast at least  
29 four times every broadcast hour of each day that a posted  
30 notice is otherwise required under this section. When  
31 broadcast notice is provided, the notice and agenda must be

1 broadcast in a manner and for a sufficient continuous length  
2 of time so as to allow an average reader to observe the notice  
3 and read and comprehend the entire content of the notice and  
4 the agenda. Unless a unit owner waives in writing the right to  
5 receive notice of the annual meeting, such notice shall be  
6 hand delivered, mailed, or electronically transmitted to each  
7 unit owner. Notice for meetings and notice for all other  
8 purposes shall be mailed to each unit owner at the address  
9 last furnished to the association by the unit owner, or hand  
10 delivered to each unit owner. However, if a unit is owned by  
11 more than one person, the association shall provide notice,  
12 for meetings and all other purposes, to that one address which  
13 the developer initially identifies for that purpose and  
14 thereafter as one or more of the owners of the unit shall so  
15 advise the association in writing, or if no address is given  
16 or the owners of the unit do not agree, to the address  
17 provided on the deed of record. An officer of the association,  
18 or the manager or other person providing the first notice of  
19 the association meeting, and the second notice as provided for  
20 in subparagraph 3., shall provide an affidavit or United  
21 States Postal Service certificate of mailing, to be included  
22 in the official records of the association affirming that the  
23 notices were ~~notice was~~ mailed or hand delivered, in  
24 accordance with this provision.

25           3. The members of the board shall be elected by  
26 written ballot or voting machine. Proxies shall in no event be  
27 used in electing the board, either in general elections or  
28 elections to fill vacancies caused by recall, resignation, or  
29 otherwise, unless otherwise provided in this chapter. Not less  
30 than 60 days before a scheduled election, the association or  
31 its representative shall mail, deliver, or electronically

1 transmit, whether by separate association mailing or included  
2 in another association mailing, delivery, or transmission,  
3 including regularly published newsletters, to each unit owner  
4 entitled to a vote, a first notice of the date of the  
5 election. Any unit owner or other eligible person desiring to  
6 be a candidate for the board must give written notice to the  
7 association or its representative not less than 40 days before  
8 a scheduled election. Together with the written notice and  
9 agenda as set forth in subparagraph 2., the association or its  
10 representative shall mail, deliver, or electronically transmit  
11 a second notice of the election to all unit owners entitled to  
12 vote therein, together with a ballot which shall list all  
13 candidates. Upon request of a candidate, the association or  
14 its representative shall include an information sheet, no  
15 larger than 8 1/2 inches by 11 inches, which must be  
16 furnished by the candidate not less than 35 days before the  
17 election, to be included with the mailing, delivery, or  
18 transmission of the ballot, with the costs of mailing,  
19 delivery, or electronic transmission and copying to be borne  
20 by the association. The association or its representative is  
21 not liable for the contents of the information sheets prepared  
22 by the candidates. In order to reduce costs, the association  
23 may print or duplicate the information sheets on both sides of  
24 the paper. The division shall by rule establish voting  
25 procedures consistent with the provisions contained herein,  
26 including rules establishing procedures for giving notice by  
27 electronic transmission and rules providing for the secrecy of  
28 ballots. All ballot envelopes must be placed in a locked or  
29 sealed ballot drop box immediately upon receipt, and the box  
30 may not be opened in advance of the election meeting.  
31 Elections shall be decided by a plurality of those ballots

1 | cast. There shall be no quorum requirement; however, at least  
2 | 20 percent of the eligible voters must cast a ballot in order  
3 | to have a valid election of members of the board. No unit  
4 | owner shall permit any other person to vote his or her ballot,  
5 | and any such ballots improperly cast shall be deemed invalid,  
6 | provided any unit owner who violates this provision may be  
7 | fined by the association in accordance with s. 718.303. A unit  
8 | owner who needs assistance in casting the ballot for the  
9 | reasons stated in s. 101.051 may obtain assistance in casting  
10 | the ballot. The regular election shall occur on the date of  
11 | the annual meeting. The provisions of this subparagraph shall  
12 | not apply to timeshare condominium associations.

13 | Notwithstanding the provisions of this subparagraph, an  
14 | election is not required unless more candidates file notices  
15 | of intent to run or are nominated than board vacancies exist.

16 |         4. Any approval by unit owners called for by this  
17 | chapter or the applicable declaration or bylaws, including,  
18 | but not limited to, the approval requirement in s. 718.111(8),  
19 | shall be made at a duly noticed meeting of unit owners and  
20 | shall be subject to all requirements of this chapter or the  
21 | applicable condominium documents relating to unit owner  
22 | decisionmaking, except that unit owners may take action by  
23 | written agreement, without meetings, on matters for which  
24 | action by written agreement without meetings is expressly  
25 | allowed by the applicable bylaws or declaration or any statute  
26 | that provides for such action.

27 |         5. Unit owners may waive notice of specific meetings  
28 | if allowed by the applicable bylaws or declaration or any  
29 | statute. If authorized by the bylaws, notice of meetings of  
30 | the board of administration, unit owner meetings, except unit  
31 | owner meetings called to recall board members under paragraph



1 (j), and committee meetings may be given by electronic  
2 transmission to unit owners who consent to receive notice by  
3 electronic transmission.

4 6. Unit owners shall have the right to participate in  
5 meetings of unit owners with reference to all designated  
6 agenda items. However, the association may adopt reasonable  
7 rules governing the frequency, duration, and manner of unit  
8 owner participation.

9 7. Any unit owner may tape record or videotape a  
10 meeting of the unit owners subject to reasonable rules adopted  
11 by the division.

12 8. Unless otherwise provided in the bylaws, any  
13 vacancy occurring on the board before the expiration of a term  
14 may be filled by the affirmative vote of the majority of the  
15 remaining directors, even if the remaining directors  
16 constitute less than a quorum, or by the sole remaining  
17 director. In the alternative, a board may hold an election to  
18 fill the vacancy, in which case the election procedures must  
19 conform to the requirements of subparagraph 3. ~~unless the~~  
20 ~~association has opted out of the statutory election process,~~  
21 ~~in which case the bylaws of the association control.~~ Unless  
22 otherwise provided in the bylaws, a board member appointed or  
23 elected under this section shall fill the vacancy for the  
24 unexpired term of the seat being filled. Filling vacancies  
25 created by recall is governed by paragraph (j) and rules  
26 adopted by the division.

27 9. Unit owners have the right to have items not  
28 related to the budget placed on the agenda of the annual  
29 meeting and voted upon if a written request is made to the  
30 board of administration by 20 percent or more of all voting  
31

1 interests at least 90 days before the date of the annual  
2 meeting.

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

12 (e) Budget meeting.--

13 1. Any meeting at which a proposed annual budget of an  
14 association will be considered by the board or unit owners  
15 shall be open to all unit owners. At least 14 days prior to  
16 such a meeting, the board shall hand deliver to each unit  
17 owner, mail to each unit owner at the address last furnished  
18 to the association by the unit owner, or electronically  
19 transmit to the location furnished by the unit owner for that  
20 purpose a notice of such meeting and a copy of the proposed  
21 annual budget. An officer or manager of the association, or  
22 other person providing notice of such meeting, shall execute  
23 an affidavit evidencing compliance with such notice  
24 requirement, and such affidavit shall be filed among the  
25 official records of the association.

26 2.a. If a board adopts in any fiscal year an annual  
27 budget which requires assessments against unit owners which  
28 exceed 115 percent of assessments for the preceding fiscal  
29 year, the board shall conduct a special meeting of the unit  
30 owners to consider a substitute budget if the board receives,  
31 within 21 days after adoption of the annual budget, a written

1 request for a special meeting from at least 10 percent of all  
2 voting interests. The special meeting shall be conducted  
3 within 60 days after adoption of the annual budget. At least  
4 14 days prior to such special meeting, the board shall hand  
5 deliver to each unit owner, or mail to each unit owner at the  
6 address last furnished to the association, a notice of the  
7 meeting. An officer or manager of the association, or other  
8 person providing notice of such meeting shall execute an  
9 affidavit evidencing compliance with this notice requirement,  
10 and such affidavit shall be filed among the official records  
11 of the association. Unit owners may consider and adopt a  
12 substitute budget at the special meeting. A substitute budget  
13 is adopted if approved by a majority of all voting interests  
14 unless the bylaws require adoption by a greater percentage of  
15 voting interests. If there is not a quorum at the special  
16 meeting or a substitute budget is not adopted, the annual  
17 budget previously adopted by the board shall take effect as  
18 scheduled.

19         b. Any determination of whether assessments exceed 115  
20 percent of assessments for the prior fiscal year shall exclude  
21 any authorized provision for reasonable reserves for repair or  
22 replacement of the condominium property, anticipated expenses  
23 of the association which the board does not expect to be  
24 incurred on a regular or annual basis, or assessments for  
25 betterments to the condominium property.

26         c. If the developer controls the board, assessments  
27 shall not exceed 115 percent of assessments for the prior  
28 fiscal year unless approved by a majority of all voting  
29 interests.

30         (f) Annual budget.--  
31

1           1. The association shall prepare an annual budget of  
2 the estimated revenues and expenses. The adopted budget of the  
3 previous fiscal year shall remain in effect until the  
4 association has adopted a new budget for the current fiscal  
5 year. The proposed annual budget of estimated revenues and  
6 ~~common~~ expenses shall be detailed and shall show the amounts  
7 budgeted by accounts and expense classifications, including,  
8 if applicable, but not limited to, those expenses listed in s.  
9 718.504(21). A multicondominium association shall adopt a  
10 separate budget of common expenses for each condominium the  
11 association operates and shall adopt a separate budget of  
12 common expenses for the association. In addition, if the  
13 association maintains limited common elements with the cost to  
14 be shared only by those entitled to use the limited common  
15 elements as provided for in s. 718.113(1), the budget or a  
16 schedule attached thereto shall show amounts budgeted  
17 therefor. If, after turnover of control of the association to  
18 the unit owners, any of the expenses listed in s. 718.504(21)  
19 are not applicable, they need not be 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, structural repairs, roof replacement,  
24 building painting, and pavement resurfacing, regardless of the  
25 amount of deferred maintenance expense or replacement cost,  
26 and for any other item for which the deferred maintenance  
27 expense or replacement cost exceeds \$10,000. The amount to be  
28 reserved shall be computed by means of a formula which is  
29 based upon estimated remaining useful life and estimated  
30 replacement cost or deferred maintenance expense of each  
31 reserve item. The association may adjust replacement reserve

1 assessments annually to take into account any changes in  
2 estimates or extension of the useful life of a reserve item  
3 caused by deferred maintenance. This subsection does not apply  
4 to an adopted budget in which the members of an association  
5 have determined, by a majority vote at a duly called meeting  
6 of the association, to provide no reserves or less reserves  
7 than required by this subsection. However, prior to turnover  
8 of control of an association by a developer to unit owners  
9 other than a developer pursuant to s. 718.301, the developer  
10 may vote to waive the reserves or reduce the funding of  
11 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. The only voting interests which are eligible to  
5 vote on questions that involve waiving or reducing the funding  
6 of reserves, or using existing reserve funds for purposes  
7 other than purposes for which the reserves were intended, are  
8 the voting interests of the units subject to assessment to  
9 fund the reserves in question. The face of all ballots that  
10 involve questions relating to waiving or reducing the funding  
11 of reserves, or using existing reserve funds for purposes  
12 other than purposes for which the reserves were intended, must  
13 contain the following statement in capitalized, bold letters  
14 in a font size larger than any other used on the face of the  
15 ballot: WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING  
16 ALTERNATE USES OF EXISTING RESERVES, MAY RESULT IN UNIT OWNER  
17 LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS  
18 REGARDING THOSE RESERVE ITEMS.

19 5. A vote to provide for no reserves or a percentage  
20 of reserves shall be made at the annual meeting of the unit  
21 owners called under paragraph (d).

22 6. Notwithstanding subparagraph 3., the association  
23 after turnover of control of the association may, in case of a  
24 catastrophic event, use reserve funds for nonscheduled  
25 purposes to mitigate further damage to units or common  
26 elements or to make the condominium accessible for repairs.

27 7. Except in cases of emergency, or unless otherwise  
28 provided for in the bylaws or approved by a vote of a majority  
29 of the unit owners in advance, the board of administration may  
30 not apply for or accept a loan or line of credit in an amount  
31

1 that exceeds 10 percent of the association's annual budget for  
2 the current year.

3 (g) Assessments.--After the declaration has been  
4 recorded, and until such time as the association has been  
5 created, all common expenses shall be paid by the developer.  
6 Assessments shall be levied in an amount determined by the  
7 adopted budget or an authorized special assessment. The manner  
8 of collecting from the unit owners their shares of the common  
9 expenses shall be stated in the bylaws. Assessments shall be  
10 made against units on a quarter-annual, or more frequent,  
11 basis not less frequently than quarterly in an amount which is  
12 not less than that required to provide funds in advance for  
13 payment of all of the anticipated current operating expenses  
14 and for all of the unpaid operating expenses previously  
15 incurred. ~~Nothing in~~ This paragraph does not shall preclude  
16 the right of an association to accelerate assessments of an  
17 owner delinquent in payment of common expenses against whom a  
18 lien has been filed. Accelerated assessments shall be due and  
19 payable after ~~on the date~~ the claim of lien is filed. Such  
20 accelerated assessments shall include the amounts due for the  
21 remainder of the budget year in which the claim of lien was  
22 filed.

23 (h) Amendment of bylaws.--

24 1. The method by which the bylaws may be amended  
25 consistent with the provisions of this chapter shall be  
26 stated. If the bylaws fail to provide a method of amendment,  
27 the bylaws may be amended if the amendment is approved by the  
28 owners of not less than two-thirds of the voting interests.

29 2. No bylaw shall be revised or amended by reference  
30 to its title or number only. Proposals to amend existing  
31 bylaws shall contain the full text of the bylaws to be

1 amended; new words shall be inserted in the text underlined,  
2 and words to be deleted shall be lined through with hyphens.  
3 However, if the proposed change is so extensive that this  
4 procedure would hinder, rather than assist, the understanding  
5 of the proposed amendment, it is not necessary to use  
6 underlining and hyphens as indicators of words added or  
7 deleted, but, instead, a notation must be inserted immediately  
8 preceding the proposed amendment in substantially the  
9 following language: "Substantial rewording of bylaw. See  
10 bylaw .... for present text."

11           3. Nonmaterial errors or omissions in the bylaw  
12 process will not invalidate an otherwise properly promulgated  
13 amendment.

14           (i) Transfer fees.--No charge shall be made by the  
15 association or any body thereof in connection with the sale,  
16 mortgage, lease, sublease, or other transfer of a unit unless  
17 the association is required to approve such transfer and a fee  
18 for such approval is provided for in the declaration,  
19 articles, or bylaws. Any such fee may be preset, but in no  
20 event may such fee exceed \$100 per applicant other than  
21 husband/wife or parent/dependent child, which are considered  
22 one applicant. However, if the lease or sublease is a renewal  
23 of a lease or sublease with the same lessee or sublessee, no  
24 charge shall be made. The foregoing notwithstanding, an  
25 association may, if the authority to do so appears in the  
26 declaration or bylaws, require that a prospective lessee place  
27 a security deposit, in an amount not to exceed the equivalent  
28 of 1 month's rent, into an escrow account maintained by the  
29 association. The security deposit shall protect against  
30 damages to the common elements or association property.  
31 Payment of interest, claims against the deposit, refunds, and



1 | disputes under this paragraph shall be handled in the same  
2 | fashion as provided in part II of chapter 83.

3 |         (j) Recall of board members.--Subject to the  
4 | provisions of s. 718.301, any member of the board of  
5 | administration may be recalled and removed from office with or  
6 | without cause by the vote or agreement in writing by a  
7 | majority of all the voting interests. A special meeting of the  
8 | unit owners to recall a member or members of the board of  
9 | administration may be called by 10 percent of the voting  
10 | interests giving notice of the meeting as required for a  
11 | meeting of unit owners, and the notice shall state the purpose  
12 | of the meeting. Electronic transmission may not be used as a  
13 | method of giving notice of a meeting called in whole or in  
14 | part for this purpose.

15 |             1. If the recall is approved by a majority of all  
16 | voting interests by a vote at a meeting, the recall will be  
17 | effective as provided herein. The board shall duly notice and  
18 | hold a board meeting within 5 full business days of the  
19 | adjournment of the unit owner meeting to recall one or more  
20 | board members. At the meeting, the board shall either certify  
21 | the recall, in which case such member or members shall be  
22 | recalled effective immediately and shall turn over to the  
23 | board within 5 full business days any and all records and  
24 | property of the association in their possession, or shall  
25 | proceed as set forth in subparagraph 3.

26 |             2. If the proposed recall is by an agreement in  
27 | writing by a majority of all voting interests, the agreement  
28 | in writing or a copy thereof shall be served on the  
29 | association by certified mail or by personal service in the  
30 | manner authorized by chapter 48 and the Florida Rules of Civil  
31 | Procedure. The board of administration shall duly notice and

1 | hold a meeting of the board within 5 full business days after  
2 | receipt of the agreement in writing. At the meeting, the board  
3 | shall either certify the written agreement to recall a member  
4 | or members of the board, in which case such member or members  
5 | shall be recalled effective immediately and shall turn over to  
6 | the board within 5 full business days any and all records and  
7 | property of the association in their possession, or proceed as  
8 | described in subparagraph 3.

9 |         3. If the board determines not to certify the written  
10 | agreement to recall a member or members of the board, or does  
11 | not certify the recall by a vote at a meeting, the board  
12 | shall, within 5 full business days after the meeting, file  
13 | with the division a petition for arbitration pursuant to the  
14 | procedures in s. 718.1255. For the purposes of this section,  
15 | the unit owners who voted at the meeting or who executed the  
16 | agreement in writing shall constitute one party under the  
17 | petition for arbitration. If the arbitrator certifies the  
18 | recall as to any member or members of the board, the recall  
19 | will be effective upon mailing of the final order of  
20 | arbitration to the association. If the association fails to  
21 | comply with the order of the arbitrator, the division may take  
22 | action pursuant to s. 718.501. Any member or members so  
23 | recalled shall deliver to the board any and all records of the  
24 | association in their possession within 5 full business days of  
25 | the effective date of the recall.

26 |         4. If the board fails to duly notice and hold a board  
27 | meeting within 5 full business days of service of an agreement  
28 | in writing or within 5 full business days of the adjournment  
29 | of the unit owner recall meeting, the recall shall be deemed  
30 | effective and the board members so recalled shall immediately

31 |

1 | turn over to the board any and all records and property of the  
2 | association.

3 |           5. If a vacancy occurs on the board as a result of a  
4 | recall and less than a majority of the board members are  
5 | removed, the vacancy may be filled by the affirmative vote of  
6 | a majority of the remaining directors, notwithstanding any  
7 | provision to the contrary contained in this subsection. If  
8 | vacancies occur on the board as a result of a recall and a  
9 | majority or more of the board members are removed, the  
10 | vacancies shall be filled in accordance with procedural rules  
11 | to be adopted by the division, which rules need not be  
12 | consistent with this subsection. The rules must provide  
13 | procedures governing the conduct of the recall election as  
14 | well as the operation of the association during the period  
15 | after a recall but prior to the recall election.

16 |           ~~(k) Arbitration. There shall be a provision for~~  
17 | ~~mandatory nonbinding arbitration as provided for in s.~~  
18 | ~~718.1255.~~

19 |           (k)(1) Certificate of compliance.--There shall be a  
20 | provision that a certificate of compliance from a licensed  
21 | electrical contractor or electrician may be accepted by the  
22 | association's board as evidence of compliance of the  
23 | condominium units with the applicable fire and life safety  
24 | code. Notwithstanding the provisions of chapter 633 or of any  
25 | other code, statute, ordinance, administrative rule, or  
26 | regulation, or any interpretation of the foregoing, an  
27 | association, condominium, or unit owner is not obligated to  
28 | retrofit the common elements or units of a residential  
29 | condominium with a fire sprinkler system or other engineered  
30 | lifesafety system in a building that has been certified for  
31 | occupancy by the applicable governmental entity, if the unit

1 owners have voted to forego such retrofitting and engineered  
2 lifesafety system by the affirmative vote of two-thirds of all  
3 voting interests in the affected condominium. However, a  
4 condominium association may not vote to forego the  
5 retrofitting with a fire sprinkler system of common areas in a  
6 high-rise building. For purposes of this subsection, the term  
7 "high-rise building" means a building that is greater than 75  
8 feet in height where the building height is measured from the  
9 lowest level of fire department access to the floor of the  
10 highest occupiable story. For purposes of this subsection, the  
11 term "common areas" means any enclosed hallway, corridor,  
12 lobby, stairwell, or entryway. In no event shall the local  
13 authority having jurisdiction require completion of  
14 retrofitting of common areas with a sprinkler system before  
15 the end of 2014.

16       1. A vote to forego retrofitting may be obtained by  
17 limited proxy or by a ballot personally cast at a duly called  
18 membership meeting, or by execution of a written consent by  
19 the member, and shall be effective upon the recording of a  
20 certificate attesting to such vote in the public records of  
21 the county where the condominium is located. The association  
22 shall mail, hand deliver, or electronically transmit to each  
23 unit owner written notice at least 14 days prior to such  
24 membership meeting in which the vote to forego retrofitting of  
25 the required fire sprinkler system is to take place. Within 30  
26 days after the association's opt-out vote, notice of the  
27 results of the opt-out vote shall be mailed, hand delivered,  
28 or electronically transmitted to all unit owners. Evidence of  
29 compliance with this 30-day notice shall be made by an  
30 affidavit executed by the person providing the notice and  
31 filed among the official records of the association. After

1 such notice is provided to each owner, a copy of such notice  
2 shall be provided by the current owner to a new owner prior to  
3 closing and shall be provided by a unit owner to a renter  
4 prior to signing a lease.

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

13         ~~(1)(m)~~ Common elements; limited power to convey.--

14         1. With respect to condominiums created on or after  
15 October 1, 1994, the bylaws shall include a provision granting  
16 the association a limited power to convey a portion of the  
17 common elements to a condemning authority for the purpose of  
18 providing utility easements, right-of-way expansion, or other  
19 public purposes, whether negotiated or as a result of eminent  
20 domain proceedings.

21         2. In any case where the bylaws are silent as to the  
22 association's power to convey common elements as described in  
23 subparagraph 1., the bylaws shall be deemed to include the  
24 provision described in subparagraph 1.

25         Section 5. Section 718.113, Florida Statutes, is  
26 amended to read:

27         718.113 Maintenance; limitation upon improvement;  
28 display of flag; display of religious decorations; hurricane  
29 shutters.--

30         (1) Maintenance of the common elements is the  
31 responsibility of the association. The declaration may provide

1 | that certain limited common elements shall be maintained by  
2 | those entitled to use the limited common elements or that the  
3 | association shall provide the maintenance, ~~either as a common~~  
4 | ~~expense or~~ with the cost shared only by those entitled to use  
5 | the limited common elements. If the maintenance is to be by  
6 | the association at the expense of only those entitled to use  
7 | the limited common elements, the declaration shall describe in  
8 | detail the method of apportioning such costs among those  
9 | entitled to use the limited common elements, and the  
10 | association may use the provisions of s. 718.116 to enforce  
11 | payment of the shares of such costs by the unit owners  
12 | entitled to use the limited common elements.

13 |         (2)(a) Except as otherwise provided in this section,  
14 | there shall be no material alteration or substantial additions  
15 | to the common elements or to real property which is  
16 | association property, except in a manner provided in the  
17 | declaration as originally recorded or as amended under the  
18 | procedures provided therein. If the declaration as originally  
19 | recorded or as amended under the procedures provided therein  
20 | does not specify the procedure for approval of material  
21 | alterations or substantial additions, 75 percent of the total  
22 | voting interests of the association must approve the  
23 | alterations or additions.

24 |         (b) There shall not be any material alteration of, or  
25 | substantial addition to, the common elements of any  
26 | condominium operated by a multicondominium association unless  
27 | approved in the manner provided in the declaration of the  
28 | affected condominium or condominiums as originally recorded or  
29 | as amended under the procedures provided therein. If a  
30 | declaration as originally recorded or as amended under the  
31 | procedures provided therein does not specify a procedure for

1 approving such an alteration or addition, the approval of 75  
2 percent of the total voting interests of each affected  
3 condominium is required. This subsection does not prohibit a  
4 provision in any declaration, articles of incorporation, or  
5 bylaws as originally recorded or as amended under the  
6 procedures provided therein requiring the approval of unit  
7 owners in any condominium operated by the same association or  
8 requiring board approval before a material alteration or  
9 substantial addition to the common elements is permitted. This  
10 paragraph is intended to clarify existing law and applies to  
11 associations existing on the effective date of this act.

12 (c) There shall not be any material alteration or  
13 substantial addition made to association real property  
14 operated by a multicondominium association, except as provided  
15 in the declaration, articles of incorporation, or bylaws as  
16 originally recorded or as amended under the procedures  
17 provided therein. If the declaration, articles of  
18 incorporation, or bylaws as originally recorded or as amended  
19 under the procedures provided therein do not specify the  
20 procedure for approving an alteration or addition to  
21 association real property, the approval of 75 percent of the  
22 total voting interests of the association is required. This  
23 paragraph is intended to clarify existing law and applies to  
24 associations existing on the effective date of this act.

25 (3) A unit owner shall not do anything within his or  
26 her unit or on the common elements which would adversely  
27 affect the safety or soundness of the common elements or any  
28 portion of the association property or condominium property  
29 which is to be maintained by the association.

30 (4) Any unit owner may display one portable, removable  
31 United States flag in a respectful way and, on Armed Forces

1 Day, Memorial Day, Flag Day, Independence Day, and Veterans  
2 Day, may display in a respectful way portable, removable  
3 official flags, not larger than 4 1/2 feet by 6 feet, that  
4 represent the United States Army, Navy, Air Force, Marine  
5 Corps, or Coast Guard, regardless of any declaration rules or  
6 requirements dealing with flags or decorations.

7 (5) Each board of administration shall, at each annual  
8 meeting, adopt or restate hurricane shutter specifications for  
9 each building within each condominium operated by the  
10 association which shall include color, style, and other  
11 factors deemed relevant by the board. All specifications  
12 adopted or restated by the board shall comply with the  
13 applicable building code. Notwithstanding any provision to the  
14 contrary in the condominium documents, if approval is required  
15 by the documents, a board shall not refuse to approve the  
16 installation or replacement of hurricane shutters conforming  
17 to the specifications adopted by the board. The board may,  
18 subject to the provisions of s. 718.3026, and the approval of  
19 a majority of voting interests of the condominium, install  
20 hurricane shutters or hurricane protection that complies with  
21 the applicable building code, and may maintain, repair, or  
22 replace such approved hurricane shutters, whether on or within  
23 common elements, limited common elements, units, or  
24 association property. However, where laminated glass or window  
25 film architecturally designed to function as hurricane  
26 protection which complies with the applicable building code  
27 has been installed, the board may not install hurricane  
28 shutters. The board may operate shutters installed pursuant to  
29 this subsection without permission of the unit owners only  
30 where such operation is necessary to preserve and protect the  
31 condominium property and association property. The



1 installation, replacement, operation, repair, and maintenance  
2 of such shutters in accordance with the procedures set forth  
3 herein shall not be deemed a material alteration to the common  
4 elements or association property within the meaning of this  
5 section.

6 (6) Every 5 years, the board of administration shall  
7 have the condominium buildings inspected by a professional  
8 engineer or professional architect registered in the state for  
9 the purposes of determining that the building is structurally  
10 and electrically safe, and determining any immediate  
11 maintenance required as well as any long term maintenance  
12 necessary in the form of a long-term maintenance plan. The  
13 long-term maintenance plan must include an executive summary  
14 that shall be distributed to all unit owners. The engineer or  
15 architect shall provide a report indicating the manner and  
16 type of inspection forming the basis for the report and  
17 description of any matters identified as requiring remedial  
18 action. The report shall become an official record of the  
19 association to be provided to the members upon request  
20 pursuant to s. 718.111(12).

21 (7) An association may not prohibit the attachment of  
22 religious items at the door or at the entrance of a unit. The  
23 board may adopt reasonable size restrictions for such items.

24 Section 6. Section 718.1224, Florida Statutes, is  
25 created to read:

26 718.1224 Prohibition against SLAPP suits.--

27 (1) It is the intent of the Legislature to protect the  
28 right of condominium unit owners to exercise their rights to  
29 instruct their representatives and petition for redress of  
30 grievances before the various governmental entities of this  
31 state as protected by the First Amendment to the United States

1 Constitution and s. 5, Art. I of the State Constitution. The  
2 Legislature recognizes that strategic lawsuits against public  
3 participation, or "SLAPP" suits as they are typically referred  
4 to, have occurred when association members are sued by  
5 individuals, business entities, or governmental entities  
6 arising out of a condominium unit owner's appearance and  
7 presentation before a governmental entity on matters related  
8 to the condominium association. However, it is the public  
9 policy of this state that governmental entities, business  
10 organizations, and individuals not to engage in SLAPP suits,  
11 because such actions are inconsistent with the right of  
12 condominium unit owners to participate in the state's  
13 institutions of government. Therefore, the Legislature finds  
14 and declares that prohibiting such lawsuits by governmental  
15 entities, business entities, and individuals against  
16 condominium unit owners who address matters concerning their  
17 condominium association will preserve this fundamental state  
18 policy, preserve the constitutional rights of condominium unit  
19 owners, and ensure the continuation of representative  
20 government in this state. It is the intent of the Legislature  
21 that such lawsuits be expeditiously disposed of by the courts.  
22 As used in this subsection, the term "governmental entity"  
23 means the state, including the executive, legislative, and  
24 judicial branches of government, the independent  
25 establishments of the state, counties, municipalities,  
26 districts, authorities, boards, or commissions, or any  
27 agencies of these branches which are subject to chapter 286.  
28 (2) A governmental entity, business organization, or  
29 individual in this state may not file or cause to be filed  
30 through its employees or agents any lawsuit, cause of action,  
31 claim, cross-claim, or counterclaim against a condominium unit

1 owner without merit and solely because such condominium unit  
2 owner has exercised the right to instruct his or her  
3 representatives or the right to petition for redress of  
4 grievances before the various governmental entities of this  
5 state, as protected by the First Amendment to the United  
6 States Constitution and s. 5, Art. I of the State  
7 Constitution.

8       (3) If a condominium unit owner is sued by a  
9 governmental entity, business organization, or individual in  
10 violation of this section, the condominium unit owner has a  
11 right to an expeditious resolution of a claim that the suit is  
12 in violation of this section. A condominium unit owner may  
13 petition the court for an order dismissing the action or  
14 granting final judgment in favor of that condominium unit  
15 owner. The condominium unit owner may file a motion for  
16 summary judgment, together with supplemental affidavits,  
17 seeking a determination that the governmental entity's,  
18 business organization's, or individual's lawsuit has been  
19 brought in violation of this section. The governmental entity,  
20 business organization, or individual shall thereafter file its  
21 response and any supplemental affidavits. As soon as  
22 practicable, the court shall set a hearing on the condominium  
23 unit owner's motion, which shall be held at the earliest  
24 possible time after the filing of the governmental entity's,  
25 business organization's or individual's response. The court  
26 may award the condominium unit owner sued by the governmental  
27 entity, business organization, or individual actual damages  
28 arising from the governmental entity's, individual's, or  
29 business organization's violation of this section. A court may  
30 treble the damages awarded to a prevailing condominium unit  
31 owner and shall state the basis for the treble damages award

1 in its judgment. The court shall award the prevailing party  
2 reasonable attorney's fees and costs incurred in connection  
3 with a claim that an action was filed in violation of this  
4 section.

5 (4) Condominium associations may not expend  
6 association funds in prosecuting a SLAPP suit against a  
7 condominium unit owner.

8 Section 7. Paragraphs (e) and (h) of subsection (4) of  
9 section 718.1255, Florida Statutes, are amended to read:

10 718.1255 Alternative dispute resolution; voluntary  
11 mediation; mandatory nonbinding arbitration; legislative  
12 findings.--

13 (4) MANDATORY NONBINDING ARBITRATION AND MEDIATION OF  
14 DISPUTES.--The Division of Florida Land Sales, Condominiums,  
15 and Mobile Homes of the Department of Business and  
16 Professional Regulation shall employ full-time attorneys to  
17 act as arbitrators to conduct the arbitration hearings  
18 provided by this chapter. The division may also certify  
19 attorneys who are not employed by the division to act as  
20 arbitrators to conduct the arbitration hearings provided by  
21 this section. No person may be employed by the department as a  
22 full-time arbitrator unless he or she is a member in good  
23 standing of The Florida Bar. The department shall promulgate  
24 rules of procedure to govern such arbitration hearings  
25 including mediation incident thereto. The decision of an  
26 arbitrator shall be final; however, such a decision shall not  
27 be deemed final agency action. Nothing in this provision shall  
28 be construed to foreclose parties from proceeding in a trial  
29 de novo unless the parties have agreed that the arbitration is  
30 binding. If such judicial proceedings are initiated, the final  
31

1 decision of the arbitrator shall be admissible in evidence in  
2 the trial de novo.

3 (e) Either before or after the filing of the  
4 respondents' answer to the petition, any party may request  
5 that the arbitrator refer the case to mediation under this  
6 section and any rules adopted by the division. Upon receipt  
7 of a request for mediation, the division shall promptly refer  
8 ~~the case contact the parties to determine if there is~~  
9 ~~agreement that mediation would be appropriate. If all parties~~  
10 ~~agree, the dispute must be referred to mediation.~~

11 ~~Notwithstanding a lack of an agreement by all parties,~~ The  
12 arbitrator may refer a dispute to mediation at any time.

13 (h) Mediation proceedings must generally be conducted  
14 in accordance with the Florida Rules of Civil Procedure, and  
15 these proceedings are privileged and confidential to the same  
16 extent as court-ordered mediation. Persons who are not parties  
17 to the dispute are not allowed to attend the mediation  
18 conference without the consent of all parties, with the  
19 exception of counsel for the parties and corporate  
20 representatives designated to appear for a party. If the  
21 mediator declares an impasse after a mediation conference has  
22 been held, the arbitration proceeding terminates, unless all  
23 parties agree in writing to continue the arbitration  
24 proceeding, in which case the arbitrator's decision shall be  
25 either binding or nonbinding, as agreed upon by the parties;  
26 in the arbitration proceeding, the arbitrator shall not  
27 consider any evidence relating to the unsuccessful mediation  
28 except in a proceeding to impose sanctions for failure to  
29 appear at the mediation conference. If the parties do not  
30 agree to continue arbitration, the arbitrator shall enter an  
31 order of dismissal, and either party may institute a suit in a

1 | court of competent jurisdiction. The parties may seek to  
2 | recover any costs and attorneys' fees incurred in connection  
3 | with arbitration ~~and mediation~~ proceedings under this section  
4 | as part of the costs and fees that may be recovered by the  
5 | prevailing party in any subsequent litigation.

6 | Section 8. Section 718.1257, Florida Statutes, is  
7 | created to read:

8 | 718.1257 Emotional-support animals.--

9 | (1) Every unit owner or renter of a condominium unit  
10 | in this state has the right to own a companion animal and to  
11 | have such animal live with him or her in the condominium unit  
12 | if the companion animal is deemed helpful to the person's  
13 | physical or psychological well-being as attested to by at  
14 | least two qualified health care professionals.

15 | (2) Any municipal or county code or ordinance, or any  
16 | purported rule, declaration, by-law, or other form of  
17 | restriction contrary to the right provided in subsection (1)  
18 | contained in any governing document of any condominium  
19 | association shall be deemed unconscionable, and thus  
20 | unenforceable, invalid, and of no legal effect.

21 | (3) An animal does not require specialized training or  
22 | skill in assisting its owner to be classified as a companion  
23 | animal under this section. The animal can be a cat, dog,  
24 | ferret, bird, gerbil, or any other commonly accepted  
25 | domesticated animal. However, if such training can be  
26 | documented, a letter from only one qualified health care  
27 | professional is required, as per pre-existing federal  
28 | disability and fair housing laws.

29 | (4) Qualified health professionals include any  
30 | physician or advanced registered nurse practitioner who is  
31 | licensed in this state to prescribe medications for emotional

1 or mental conditions, or any mental health worker, mental  
2 health counselor, psychologist, or social worker who is  
3 licensed in this state to practice counseling therapy. The  
4 letter must say that the animal is necessary to ameliorate and  
5 help with life functions for a condition covered under the  
6 Americans with Disabilities Act. The letter does not have to  
7 give details of the nature of the unit owner's or renter's  
8 disorder, in order not to invade the patient's privacy per the  
9 Health Insurance Portability and Accountability Act. Where the  
10 primary residence of the owner or renter is in another state,  
11 the qualified health care professional is defined as a  
12 qualified health care professional licensed in the owner's or  
13 renter's home state.

14 (5) If it becomes necessary for an owner or renter of  
15 any condominium unit to enforce this section in court against  
16 an association that has threatened, either orally or in  
17 writing to limit his or her right to own and reside with a  
18 companion animal, the unit owner or renter shall be entitled  
19 to recover his or her reasonable costs and attorney's fees if  
20 the unit owner or renter is the prevailing party. This  
21 attorney's fee provision is not reciprocal.

22 Section 9. Subsection (1) of section 718.302, Florida  
23 Statutes, is amended to read:

24 718.302 Agreements entered into by the association.--

25 (1) Any grant or reservation made by a declaration,  
26 lease, or other document, and any contract made by an  
27 association prior to assumption of control of the association  
28 by unit owners other than the developer, that provides for  
29 services, products, operation, maintenance, or management of a  
30 condominium association or property serving the unit owners of  
31 a condominium shall be fair and reasonable, and such grant,

1 reservation, or contract may be canceled by unit owners other  
2 than the developer:

3           (a) If the association operates only one condominium  
4 and the unit owners other than the developer have assumed  
5 control of the association, or if unit owners other than the  
6 developer own not less than 75 percent of the voting interests  
7 in the condominium, the cancellation shall be by concurrence  
8 of the owners of not less than 75 percent of the voting  
9 interests other than the voting interests owned by the  
10 developer. If a grant, reservation, or contract is so  
11 canceled and the unit owners other than the developer have not  
12 assumed control of the association, the association shall make  
13 a new contract or otherwise provide for maintenance,  
14 management, or operation in lieu of the canceled obligation,  
15 at the direction of the owners of not less than a majority of  
16 the voting interests in the condominium other than the voting  
17 interests owned by the developer.

18           (b) If the association operates more than one  
19 condominium and the unit owners other than the developer have  
20 not assumed control of the association, and if unit owners  
21 other than the developer own at least 75 percent of the voting  
22 interests in a condominium operated by the association, any  
23 grant, reservation, or contract for maintenance, management,  
24 or operation of buildings containing the units in that  
25 condominium or of improvements used only by unit owners of  
26 that condominium may be canceled by concurrence of the owners  
27 of at least 75 percent of the voting interests in the  
28 condominium other than the voting interests owned by the  
29 developer. No grant, reservation, or contract for  
30 maintenance, management, or operation of recreational areas or  
31 any other property serving more than one condominium, and



1 operated by more than one association, may be canceled except  
2 pursuant to paragraph (d).

3 (c) If the association operates more than one  
4 condominium and the unit owners other than the developer have  
5 assumed control of the association, the cancellation shall be  
6 by concurrence of the owners of not less than 75 percent of  
7 the total number of voting interests in all condominiums  
8 operated by the association other than the voting interests  
9 owned by the developer.

10 (d) If the owners of units in a condominium have the  
11 right to use property in common with owners of units in other  
12 condominiums and those condominiums are operated by more than  
13 one association, no grant, reservation, or contract for  
14 maintenance, management, or operation of the property serving  
15 more than one condominium may be canceled until unit owners  
16 other than the developer have assumed control of all of the  
17 associations operating the condominiums that are to be served  
18 by the recreational area or other property, after which  
19 cancellation may be effected by concurrence of the owners of  
20 not less than 75 percent of the total number of voting  
21 interests in those condominiums other than voting interests  
22 owned by the developer.

23 Section 10. Paragraphs (f) and (g) are added to  
24 subsection (1) of section 718.3025, Florida Statutes, to read:

25 718.3025 Agreements for operation, maintenance, or  
26 management of condominiums; specific requirements.--

27 (1) No written contract between a party contracting to  
28 provide maintenance or management services and an association  
29 which contract provides for operation, maintenance, or  
30 management of a condominium association or property serving  
31

1 the unit owners of a condominium shall be valid or enforceable  
2 unless the contract:

3 (f) Requires that all obligations under the contract  
4 be completed within a 1-year period.

5 (g) Contains a provision expressly prohibiting  
6 automatic renewal of the contract.

7 Section 11. Paragraph (a) of subsection (2) of section  
8 718.3026, Florida Statutes, is amended to read:

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

15 (2)(a)1. Notwithstanding the foregoing, contracts with  
16 employees of the association, and contracts for attorney,  
17 accountant, architect, community association manager,  
18 timeshare management firm, engineering, and landscape  
19 architect services are not subject to the provisions of this  
20 section.

21 2. A contract executed before January 1, 1992, and any  
22 renewal thereof, is not subject to the competitive bid  
23 requirements of this section. If a contract was awarded under  
24 the competitive bid procedures of this section, any renewal of  
25 that contract is not subject to such competitive bid  
26 requirements if the contract contains a provision that allows  
27 the board to cancel the contract on 30 days' notice.

28 Materials, equipment, or services provided to a condominium  
29 under a local government franchise agreement by a franchise  
30 holder are not subject to the competitive bid requirements of  
31 this section. A contract with a manager, if made by a

1 competitive bid, may be made for up to 3 years. A condominium  
2 whose declaration or bylaws provides for competitive bidding  
3 for services may operate under the provisions of that  
4 declaration or bylaws in lieu of this section if those  
5 provisions are not less stringent than the requirements of  
6 this section.

7 3. A contract by and between a service provider and an  
8 association may not be for a term in excess of 3 years and may  
9 not contain an automatic renewal clause.

10 4. A contract for construction or repair of the  
11 property which exceeds 10 percent of the total annual budget  
12 of the association, including reserves, shall occur under the  
13 written advisement of an attorney.

14 Section 12. Subsection (3) of section 718.303, Florida  
15 Statutes, is amended, and subsection (4) is added to that  
16 section, to read:

17 718.303 Obligations of owners; waiver; levy of fine  
18 against unit by association.--

19 (3) If the declaration or bylaws so provide, the  
20 association may levy reasonable fines against a unit for the  
21 failure of the owner of the unit, or its occupant, licensee,  
22 or invitee, to comply with any provision of the declaration,  
23 the association bylaws, or reasonable rules of the  
24 association. No fine will become a lien against a unit. No  
25 fine may exceed \$100 per violation. However, a fine may be  
26 levied on the basis of each day of a continuing violation,  
27 with a single notice and opportunity for hearing, provided  
28 that no such fine shall in the aggregate exceed \$1,000. No  
29 fine may be levied except after giving reasonable notice and  
30 opportunity for a hearing to the unit owner and, if  
31 applicable, its licensee or invitee. The hearing must be held

1 before a committee of ~~other~~ unit owners who are not members of  
2 the board of administration of the association. If the  
3 committee does not agree with the fine, the fine may not be  
4 levied. The provisions of this subsection do not apply to  
5 unoccupied units.

6 (4) Anyone subject to an action under this section  
7 shall be notified of the violation by certified mail, return  
8 receipt requested, and, except in the case of imminent danger  
9 to person or property, has 30 days in which to respond in  
10 writing. If no response is provided and the violation  
11 continues or is repeated, the association may proceed under  
12 subsections (1) and (2) without further notice except as  
13 provided in subsection (3).

14 Section 13. Subsections (1) and (2) of section  
15 718.404, Florida Statutes, are amended to read:

16 718.404 Mixed-use condominiums.--When a condominium  
17 consists of both residential and commercial units, the  
18 following provisions shall apply:

19 (1) The condominium documents shall not provide that  
20 the owner of any commercial unit shall have the authority to  
21 veto amendments to the declaration, articles of incorporation,  
22 bylaws, or rules or regulations of the association. It is  
23 intended that this subsection apply retroactively as a  
24 remedial measure.

25 (2) Subject to s. 718.301, where the number of  
26 residential units in the condominium equals or exceeds 50  
27 percent of the total units operated by the association, owners  
28 of the residential units shall be entitled to vote for a  
29 majority of the seats on the board of administration. It is  
30 intended that this subsection apply retroactively as a  
31 remedial measure.

1           Section 14. Paragraphs (e) and (j) of subsection (1)  
2 of section 718.501, Florida Statutes, are amended, and  
3 paragraph (n) is added to that subsection, to read:

4           718.501 Powers and duties of Division of Florida Land  
5 Sales, Condominiums, and Mobile Homes.--

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

16           (e) The division shall ~~is authorized to~~ prepare and  
17 disseminate a prospectus and other information to assist  
18 prospective owners, purchasers, lessees, and developers of  
19 residential condominiums in assessing the rights, privileges,  
20 and duties pertaining thereto.

21           (j) The division shall provide training programs for  
22 condominium association board members and unit owners in  
23 conjunction with the recommendations of the ombudsman, at the  
24 associations' expense.

25           (n) Upon a finding that any association has committed  
26 a violation within the jurisdiction of the division, the  
27 division shall require the association to mail and post a  
28 notice to all unit owners setting forth the facts and findings  
29 relative to any and all violations, as well as a description  
30 of the corrective action required.

31

1           Section 15. Subsection (1) of section 718.5011,  
2 Florida Statutes, is amended to read:

3           718.5011 Ombudsman; appointment; administration.--

4           (1) There is created an Office of the Condominium  
5 Ombudsman, to be located, solely for administrative purposes,  
6 within the Division of Florida Land Sales, Condominiums, and  
7 Mobile Homes. The ombudsman shall exercise his or her  
8 policymaking and other functions delegated by this chapter  
9 independently of the Department of Business and Professional  
10 Regulation and without approval or control of the department.  
11 The department shall render administrative support to the  
12 Office of the Condominium Ombudsman in matters pertaining to  
13 budget, personnel, office space, equipment, and supplies. The  
14 functions of the office shall be funded by the Division of  
15 Florida Land Sales, Condominiums, and Mobile Homes Trust Fund.  
16 The ombudsman shall be a bureau chief of the division, and the  
17 office shall be set within the division in the same manner as  
18 any other bureau is staffed and funded.

19           Section 16. Section 718.5012, Florida Statutes, is  
20 amended to read:

21           718.5012 Ombudsman; powers and duties.--

22           (1) The ombudsman shall have the powers that are  
23 necessary to carry out the duties of his or her office,  
24 including the following specific powers:

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

27           (b)(2) To employ professional and clerical staff as  
28 necessary for the efficient operation of the office.

29           (c)(3) To prepare and issue reports and  
30 recommendations to the Governor, the department, the division,  
31 the Advisory Council on Condominiums, the President of the

1 Senate, and the Speaker of the House of Representatives on any  
2 matter or subject within the jurisdiction of the division. The  
3 ombudsman shall make recommendations he or she deems  
4 appropriate for legislation relative to division procedures,  
5 rules, jurisdiction, personnel, and functions.

6 ~~(d)(4)~~ To act as liaison between the division, unit  
7 owners, boards of directors, board members, community  
8 association managers, and other affected parties. The  
9 ombudsman shall ~~develop policies and procedures to~~ assist unit  
10 owners, boards of directors, board members, community  
11 association managers, and other affected parties to understand  
12 their rights and responsibilities as set forth in this chapter  
13 and the condominium documents governing their respective  
14 association. The ombudsman shall coordinate and assist in the  
15 preparation and adoption of educational and reference  
16 material, and shall endeavor to coordinate with private or  
17 volunteer providers of these services, so that the  
18 availability of these resources is made known to the largest  
19 possible audience.

20 ~~(e)(5)~~ To monitor and review procedures and disputes  
21 concerning condominium elections or meetings, including, but  
22 not limited to, recommending that the division pursue  
23 enforcement action in any manner where there is reasonable  
24 cause to believe that election misconduct has occurred.

25 ~~(f)(6)~~ To make recommendations to the division for  
26 changes in rules and procedures for the filing, investigation,  
27 and resolution of complaints filed by unit owners,  
28 associations, and managers.

29 ~~(g)(7)~~ To provide resources to assist members of  
30 boards of directors and officers of associations to carry out  
31 their powers and duties consistent with this chapter, division

1 rules, and the condominium documents governing the  
2 association.

3 ~~(h)(8)~~ To order, encourage, and facilitate ~~voluntary~~  
4 meetings with and between unit owners, boards of directors,  
5 board members, community association managers, and other  
6 affected parties when the meetings may assist in resolving a  
7 dispute within a community association before a person submits  
8 a dispute for a formal or administrative remedy. It is the  
9 intent of the Legislature that the ombudsman act as a neutral  
10 resource for both the rights and responsibilities of unit  
11 owners, associations, and board members.

12 ~~(2)(9)~~ Fifteen percent of the total voting interests  
13 in a condominium association, or six unit owners, whichever is  
14 greater, may petition the ombudsman to appoint an election  
15 monitor to attend the annual meeting of the unit owners and  
16 conduct the election of directors. The ombudsman shall appoint  
17 a division employee, a person or persons specializing in  
18 condominium election monitoring, or an attorney licensed to  
19 practice in this state as the election monitor. All costs  
20 associated with the election monitoring process shall be paid  
21 by the association. The division shall adopt a rule  
22 establishing procedures for the appointment of election  
23 monitors and the scope and extent of the monitor's role in the  
24 election process.

25 (3) Any unit owner or association acting in good faith  
26 on the advice or opinion of the office of the ombudsman is  
27 immune from any penalties or actions.

28 Section 17. Subsection (21) of section 718.504,  
29 Florida Statutes, is amended to read:

30 718.504 Prospectus or offering circular.--Every  
31 developer of a residential condominium which contains more



1 | than 20 residential units, or which is part of a group of  
2 | residential condominiums which will be served by property to  
3 | be used in common by unit owners of more than 20 residential  
4 | units, shall prepare a prospectus or offering circular and  
5 | file it with the Division of Florida Land Sales, Condominiums,  
6 | and Mobile Homes prior to entering into an enforceable  
7 | contract of purchase and sale of any unit or lease of a unit  
8 | for more than 5 years and shall furnish a copy of the  
9 | prospectus or offering circular to each buyer. In addition to  
10 | the prospectus or offering circular, each buyer shall be  
11 | furnished a separate page entitled "Frequently Asked Questions  
12 | and Answers," which shall be in accordance with a format  
13 | approved by the division and a copy of the financial  
14 | information required by s. 718.111. This page shall, in  
15 | readable language, inform prospective purchasers regarding  
16 | their voting rights and unit use restrictions, including  
17 | restrictions on the leasing of a unit; shall indicate whether  
18 | and in what amount the unit owners or the association is  
19 | obligated to pay rent or land use fees for recreational or  
20 | other commonly used facilities; shall contain a statement  
21 | identifying that amount of assessment which, pursuant to the  
22 | budget, would be levied upon each unit type, exclusive of any  
23 | special assessments, and which shall further identify the  
24 | basis upon which assessments are levied, whether monthly,  
25 | quarterly, or otherwise; shall state and identify any court  
26 | cases in which the association is currently a party of record  
27 | in which the association may face liability in excess of  
28 | \$100,000; and which shall further state whether membership in  
29 | a recreational facilities association is mandatory, and if so,  
30 | shall identify the fees currently charged per unit type. The  
31 | division shall by rule require such other disclosure as in its

1 judgment will assist prospective purchasers. The prospectus or  
2 offering circular may include more than one condominium,  
3 although not all such units are being offered for sale as of  
4 the date of the prospectus or offering circular. The  
5 prospectus or offering circular must contain the following  
6 information:

7 (21) An estimated operating budget for the condominium  
8 and the association, and a schedule of the unit owner's  
9 expenses shall be attached as an exhibit and shall contain the  
10 following information:

11 (a) The estimated monthly and annual revenues and  
12 expenses of the condominium and the association which ~~that~~ are  
13 earned by the association or collected from unit owners by  
14 assessments.

15 (b) The estimated monthly and annual expenses of each  
16 unit owner for a unit, other than common expenses paid by all  
17 unit owners, payable by the unit owner to persons or entities  
18 other than the association, as well as to the association,  
19 including fees assessed pursuant to s. 718.113(1) for  
20 maintenance of limited common elements where such costs are  
21 shared only by those entitled to use the limited common  
22 element, and the total estimated monthly and annual expense.  
23 There may be excluded from this estimate expenses which are  
24 not provided for or contemplated by the condominium documents,  
25 including, but not limited to, the costs of private telephone;  
26 maintenance of the interior of condominium units, which is not  
27 the obligation of the association; maid or janitorial services  
28 privately contracted for by the unit owners; utility bills  
29 billed directly to each unit owner for utility services to his  
30 or her unit; insurance premiums other than those incurred for  
31 policies obtained by the condominium; and similar personal

1 expenses of the unit owner. A unit owner's estimated payments  
2 for assessments shall also be stated in the estimated amounts  
3 for the times when they will be due.

4 (c) The estimated items of expenses of the condominium  
5 and the association, except as excluded under paragraph (b),  
6 including, but not limited to, the following items, which  
7 shall be stated either as an association expense collectible  
8 by assessments or as unit owners' expenses payable to persons  
9 other than the association:

10 1. Expenses for the association and condominium:

11 a. Administration of the association.

12 b. Management fees.

13 c. Maintenance.

14 d. Rent for recreational and other commonly used  
15 facilities.

16 e. Taxes upon association property.

17 f. Taxes upon leased areas.

18 g. Insurance.

19 h. Security provisions.

20 i. Other expenses.

21 j. Operating capital.

22 k. Reserves.

23 1. Fees payable to the division.

24 2. Expenses for a unit owner:

25 a. Rent for the unit, if subject to a lease.

26 b. Rent payable by the unit owner directly to the  
27 lessor or agent under any recreational lease or lease for the  
28 use of commonly used facilities, which use and payment is a  
29 mandatory condition of ownership and is not included in the  
30 common expense or assessments for common maintenance paid by  
31 the unit owners to the association.

1           ~~(d) The estimated amounts shall be stated for a period~~  
2 ~~of at least 12 months and may distinguish between the period~~  
3 ~~prior to the time unit owners other than the developer elect a~~  
4 ~~majority of the board of administration and the period after~~  
5 ~~that date.~~

6           Section 18. Subsections (6) and (7) of section  
7 720.303, Florida Statutes, are amended to read:

8           720.303 Association powers and duties; meetings of  
9 board; official records; budgets; financial reporting;  
10 association funds; recalls.--

11           (6) BUDGETS.--

12           (a) The association shall prepare an annual budget  
13 that sets out the annual operating expenses. The budget must  
14 reflect the estimated revenues and expenses for that year and  
15 the estimated surplus or deficit as of the end of the current  
16 year. The budget must set out separately all fees or charges  
17 paid for by the association for recreational amenities,  
18 whether owned by the association, the developer, or another  
19 person. The association shall provide each member with a copy  
20 of the annual budget or a written notice that a copy of the  
21 budget is available upon request at no charge to the member.  
22 The copy must be provided to the member within the time limits  
23 set forth in subsection (5).

24           (b) In addition to annual operating expenses, the  
25 budget may include reserve accounts for capital expenditures  
26 and deferred maintenance for which the association is  
27 responsible to the extent that the governing documents do not  
28 limit increases in assessments, including reserves. If the  
29 budget of the association includes reserve accounts, such  
30 reserves shall be determined, maintained, and waived in the  
31 manner provided in this subsection. Once an association

1 provides for reserve accounts in the budget, the association  
2 shall thereafter determine, maintain, and waive reserves in  
3 compliance with the provisions of this subsection.

4 (c) If the budget of the association does not provide  
5 for reserve accounts governed by this subsection and the  
6 association is responsible for the repair and maintenance of  
7 capital improvements that may result in a special assessment  
8 if reserves are not provided, each financial report for the  
9 preceding fiscal year required by subsection (7) must contain  
10 the following statement in conspicuous type: THE BUDGET OF THE  
11 ASSOCIATION DOES NOT PROVIDE FOR RESERVE ACCOUNTS FOR CAPITAL  
12 EXPENDITURES AND DEFERRED MAINTENANCE THAT MAY RESULT IN  
13 SPECIAL ASSESSMENTS. OWNERS MAY ELECT TO PROVIDE FOR RESERVE  
14 ACCOUNTS UNDER THE PROVISIONS OF SECTION 720.303(6), FLORIDA  
15 STATUTES, UPON THE APPROVAL OF NOT LESS THAN A MAJORITY OF THE  
16 TOTAL VOTING INTERESTS OF THE ASSOCIATION.

17 (d) An association is deemed to have provided for  
18 reserve accounts when reserve accounts have been initially  
19 established by the developer or when the membership of the  
20 association affirmatively elects to provide for reserves. If  
21 reserve accounts are not initially provided for by the  
22 developer, the membership of the association may elect to do  
23 so upon the affirmative approval of not less than a majority  
24 of the total voting interests of the association. The approval  
25 may be attained by vote of the members at a duly called  
26 meeting of the membership or upon a written consent executed  
27 by not less than a majority of the total voting interests in  
28 the community. The approval action of the membership shall  
29 state that reserve accounts shall be provided for in the  
30 budget and designate the components for which the reserve  
31 accounts are to be established. Upon approval by the

1 membership, the board of directors shall provide for the  
2 required reserve accounts for inclusion in the budget in the  
3 next fiscal year following the approval and in each year  
4 thereafter. Once established as provided in this subsection,  
5 the reserve accounts shall be funded or maintained or shall  
6 have their funding waived in the manner provided in paragraph  
7 (f).

8       (e) The amount to be reserved in any account  
9 established shall be computed by means of a formula that is  
10 based upon estimated remaining useful life and estimated  
11 replacement cost or deferred maintenance expense of each  
12 reserve item. The association may adjust replacement reserve  
13 assessments annually to take into account any changes in  
14 estimates of cost or useful life of a reserve item.

15       (f) Once a reserve account or reserve accounts are  
16 established, the membership of the association, upon a  
17 majority vote at a meeting at which a quorum is present, may  
18 provide for no reserves or less reserves than required by this  
19 section. If a meeting of the unit owners is called to  
20 determine whether to waive or reduce the funding of reserves  
21 and no such result is achieved or a quorum is not present, the  
22 reserves as included in the budget shall go into effect. After  
23 the turnover, the developer may vote its voting interest to  
24 waive or reduce the funding of reserves. Any vote taken under  
25 this subsection to waive or reduce reserves shall be  
26 applicable only to one budget year.

27       (g) Funding formulas for reserves authorized by this  
28 section shall be based on either a separate analysis of each  
29 of the required assets or a pooled analysis of two or more of  
30 the required assets.

31

1           1. If the association maintains separate reserve  
2 accounts for each of the required assets, the amount of the  
3 contribution to each reserve account shall be the sum of the  
4 following two calculations:

5           a. The total amount necessary, if any, to bring a  
6 negative component balance to zero.

7           b. The total estimated deferred maintenance expense or  
8 estimated replacement cost of the reserve component less the  
9 estimated balance of the reserve component as of the beginning  
10 of the period for which the budget will be in effect. The  
11 remainder, if greater than zero, shall be divided by the  
12 estimated remaining useful life of the component.

13  
14 The formula may be adjusted each year for changes in estimates  
15 and deferred maintenance performed during the year and may  
16 include factors such as inflation and earnings on invested  
17 funds.

18           2. If the association maintains a pooled account of  
19 two or more of the required reserve assets, the amount of the  
20 contribution to the pooled reserve account as disclosed on the  
21 proposed budget may not be less than that required to ensure  
22 that the balance at the beginning of the period for which the  
23 budget will go into effect plus the projected annual cash  
24 inflows over the remaining estimated useful life of all of the  
25 assets that make up the reserve pool are equal to or greater  
26 than the projected annual cash outflows over the remaining  
27 estimated useful lives of all of the assets that make up the  
28 reserve pool, based on the current reserve analysis. The  
29 projected annual cash inflows may include estimated earnings  
30 from investment of principal. The reserve funding formula may  
31 not include any type of balloon payments.

1           (h) Reserve funds and any interest accruing thereon  
2 shall remain in the reserve account or accounts and shall be  
3 used only for authorized reserve expenditures unless their use  
4 for other purposes is approved in advance by a majority vote  
5 at a meeting at which a quorum is present. Prior to turnover  
6 of control of an association by a developer to parcel owners,  
7 the developer-controlled association may not vote to use  
8 reserves for purposes other than those for which they were  
9 intended without the approval of a majority of all  
10 nondeveloper voting interests voting in person or by limited  
11 proxy at a duly called meeting of the association.

12           (7) FINANCIAL REPORTING.--Within 90 days after the end  
13 of the fiscal year, or annually on a date provided in the  
14 bylaws, the association shall prepare and complete, or  
15 contract with a third party for the preparation and completion  
16 of, a financial report for the preceding fiscal year. Within  
17 21 days after the final financial report is completed by the  
18 association or received from the third party, but not later  
19 than 120 days after the end of the fiscal year or other date  
20 as provided in the bylaws, the association shall ~~prepare an~~  
21 ~~annual financial report within 60 days after the close of the~~  
22 ~~fiscal year. The association shall, within the time limits set~~  
23 forth in subsection (5), provide each member with a copy of  
24 the annual financial report or a written notice that a copy of  
25 the financial report is available upon request at no charge to  
26 the member. Financial reports shall be prepared as follows:

27           (a) An association that meets the criteria of this  
28 paragraph shall prepare or cause to be prepared a complete set  
29 of financial statements in accordance with generally accepted  
30 accounting principles as adopted by the Board of Accountancy.  
31



1 The financial statements shall be based upon the association's  
2 total annual revenues, as follows:

3 1. An association with total annual revenues of  
4 \$100,000 or more, but less than \$200,000, shall prepare  
5 compiled financial statements.

6 2. An association with total annual revenues of at  
7 least \$200,000, but less than \$400,000, shall prepare reviewed  
8 financial statements.

9 3. An association with total annual revenues of  
10 \$400,000 or more shall prepare audited financial statements.

11 (b)1. An association with total annual revenues of  
12 less than \$100,000 shall prepare a report of cash receipts and  
13 expenditures.

14 2. An association in a community of fewer than 50  
15 parcels, regardless of the association's annual revenues, may  
16 prepare a report of cash receipts and expenditures in lieu of  
17 financial statements required by paragraph (a) unless the  
18 governing documents provide otherwise.

19 3. A report of cash receipts and disbursement must  
20 disclose the amount of receipts by accounts and receipt  
21 classifications and the amount of expenses by accounts and  
22 expense classifications, including, but not limited to, the  
23 following, as applicable: costs for security, professional,  
24 and management fees and expenses; taxes; costs for recreation  
25 facilities; expenses for refuse collection and utility  
26 services; expenses for lawn care; costs for building  
27 maintenance and repair; insurance costs; administration and  
28 salary expenses; and reserves if maintained by the  
29 association.

30 (c) If 20 percent of the parcel owners petition the  
31 board for a level of financial reporting higher than that

1 required by this section, the association shall duly notice  
2 and hold a meeting of members within 30 days of receipt of the  
3 petition for the purpose of voting on raising the level of  
4 reporting for that fiscal year. Upon approval of a majority of  
5 the total voting interests of the parcel owners, the  
6 association shall prepare or cause to be prepared, shall amend  
7 the budget or adopt a special assessment to pay for the  
8 financial report regardless of any provision to the contrary  
9 in the governing documents, and shall provide within 90 days  
10 of the meeting or the end of the fiscal year, whichever occurs  
11 later:

12           1. Compiled, reviewed, or audited financial  
13 statements, if the association is otherwise required to  
14 prepare a report of cash receipts and expenditures;

15           2. Reviewed or audited financial statements, if the  
16 association is otherwise required to prepare compiled  
17 financial statements; or

18           3. Audited financial statements if the association is  
19 otherwise required to prepare reviewed financial statements.

20           (d) If approved by a majority of the voting interests  
21 present at a properly called meeting of the association, an  
22 association may prepare or cause to be prepared:

23           1. A report of cash receipts and expenditures in lieu  
24 of a compiled, reviewed, or audited financial statement;

25           2. A report of cash receipts and expenditures or a  
26 compiled financial statement in lieu of a reviewed or audited  
27 financial statement; or

28           3. A report of cash receipts and expenditures, a  
29 compiled financial statement, or a reviewed financial  
30 statement in lieu of an audited financial statement.

31

1           Section 19. Section 720.307, Florida Statutes, is  
2 amended to read:

3           720.307 Transition of association control in a  
4 community.--With respect to homeowners' associations:

5           (1) Members other than the developer are entitled to  
6 elect at least a majority of the members of the board of  
7 directors of the homeowners' association when the earlier of  
8 the following events occurs:

9           (a) Three months after 75 ~~90~~ percent of the parcels in  
10 all phases of the community that will ultimately be operated  
11 by the homeowners' association have been conveyed to members;  
12 or

13           (b) Such other percentage of the parcels has been  
14 conveyed to members, or such other date or event has occurred,  
15 as is set forth in the governing documents in order to comply  
16 with the requirements of any governmentally chartered entity  
17 with regard to the mortgage financing of parcels.

18  
19 For purposes of this section, the term "members other than the  
20 developer" shall not include builders, contractors, or others  
21 who purchase a parcel for the purpose of constructing  
22 improvements thereon for resale.

23           (2) The developer is entitled to elect at least one  
24 member of the board of directors of the homeowners'  
25 association as long as the developer holds for sale in the  
26 ordinary course of business at least 5 percent of the parcels  
27 in all phases of the community. After the developer  
28 relinquishes control of the homeowners' association, the  
29 developer may exercise the right to vote any developer-owned  
30 voting interests in the same manner as any other member,  
31 except for purposes of reacquiring control of the homeowners'

1 association or selecting the majority of the members of the  
2 board of directors.

3 (3) Prior to turnover, the developer or owner of all  
4 common areas shall convey the title to all common areas to the  
5 association immediately upon incorporation of the association.  
6 If additional common areas are acquired prior to transition of  
7 control and subject to the governing documents, title to those  
8 common areas shall also be immediately transferred to the  
9 association.

10 ~~(4)(3)~~ At the time the members are entitled to elect  
11 at least a majority of the board of directors of the  
12 homeowners' association, the developer shall, at the  
13 developer's expense, within no more than 90 days deliver the  
14 following documents to the board:

15 (a) All deeds to common property owned by the  
16 association or the developer.

17 (b) The original of the association's declarations of  
18 covenants and restrictions.

19 (c) A certified copy of the articles of incorporation  
20 of the association.

21 (d) A copy of the bylaws.

22 (e) The minute books, including all minutes.

23 (f) The books and records of the association.

24 (g) Policies, rules, and regulations, if any, which  
25 have been adopted.

26 (h) Resignations of directors who are required to  
27 resign because the developer is required to relinquish control  
28 of the association.

29 (i) The financial records of the association from the  
30 date of incorporation through the date of turnover.

31 (j) All association funds and control thereof.

- 1 (k) All tangible property of the association.
- 2 (l) A copy of all contracts which may be in force with  
3 the association as one of the parties.
- 4 (m) A list of the names and addresses and telephone  
5 numbers of all contractors, subcontractors, or others in the  
6 current employ of the association.
- 7 (n) Any and all insurance policies in effect.
- 8 (o) Any permits issued to the association by  
9 governmental entities.
- 10 (p) Any and all warranties in effect.
- 11 (q) A roster of current homeowners and their addresses  
12 and telephone numbers and section and lot numbers.
- 13 (r) Employment and service contracts in effect.
- 14 (s) All other contracts and agreements in effect to  
15 which the association is a party.
- 16 (t) The financial records, including financial  
17 statements of the association, and source documents from the  
18 incorporation of the association through the date of turnover.  
19 The records shall be audited by an independent certified  
20 public accountant for the period of the incorporation of the  
21 association or for the period covered by the last audit, if an  
22 audit has been performed for each fiscal year since  
23 incorporation. All financial statements shall be prepared in  
24 accordance with generally accepted accounting standards and  
25 shall be audited in accordance with generally accepted  
26 auditing standards as prescribed by the Board of Accountancy.  
27 The accountant performing the review shall examine to the  
28 extent necessary supporting documents and records, including  
29 the cash disbursements and related paid invoices to determine  
30 whether expenditures were for association purposes, and the  
31 billings, cash receipts, and related records to determine

1 whether the developer was charged and paid the proper amounts  
2 of assessments. This paragraph applies to associations with a  
3 date of incorporation after December 31, 2007.

4 ~~(5)(4) This section applies to any mandatory~~  
5 ~~homeowner's association existing under this chapter does not~~  
6 ~~apply to a homeowners' association in existence on the~~  
7 ~~effective date of this act, or to a homeowners' association,~~  
8 ~~no matter when created, if such association is created in a~~  
9 ~~community that is included in an effective~~  
10 ~~development of regional impact development order as of the~~  
11 ~~effective date of this act, together with any approved~~  
12 ~~modifications thereof.~~

13 Section 20. Subsection (5) is added to section  
14 720.3075, Florida Statutes, to read:

15 720.3075 Prohibited clauses in association  
16 documents.--

17 (5)(a) An association may not restrict a homeowner  
18 from mounting or employing shutters or other hurricane  
19 protection on any portion of the home.

20 (b) Except as provided in paragraph (c), an  
21 association may not restrict a homeowner from mounting or  
22 employing temporary or permanent shutters or other hurricane  
23 protection on any portion of the home during any time that a  
24 hurricane warning has been declared, during any time when an  
25 evacuation order has been given, or for the following period  
26 after conclusion of the hurricane watch or evacuation order:

27 1. Seven days; or

28 2. Fourteen days if the hurricane watch concerns a  
29 category 4 storm or greater or if the evacuation order lasts  
30 more than 3 days.

31

1           (c) If a local government restricts homeowners'  
2 mounting or employing temporary or permanent shutters or other  
3 hurricane protection, the local government may also authorize  
4 associations to adopt and enforce equal or lesser  
5 restrictions.

6           (d) Except as provided in paragraph (c) or paragraph  
7 (e), an association may not restrict a homeowner from mounting  
8 or employing permanent shutters or other hurricane protection  
9 on any portion of the home.

10           (e) If the association otherwise properly adopts  
11 restrictions governing color or form of shutters or other  
12 permanent exterior window coverings, the association may adopt  
13 and enforce equal or lesser restrictions that apply to  
14 permanent exterior hurricane protections.

15           (f) An association may not restrict the time or  
16 duration for shutters or other hurricane protection to be open  
17 or closed during any period and may not restrict homeowners  
18 from mounting or employing temporary shutters or other  
19 hurricane protection on any portion of the home.

20           Section 21. Notwithstanding any provision to the  
21 contrary contained in a declaration of condominium,  
22 condominium bylaws, or other documents, a condominium  
23 developer who rents or leases any unsold units in a  
24 condominium must pay all monthly maintenance fees on those  
25 units to the association as if the units were owned by  
26 individual owners.

27           Section 22. This act shall take effect July 1, 2007.

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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
COMMITTEE SUBSTITUTE FOR  
CS for Senate Bill 2816

The committee substitute revises the requirement that association records be kept at a location within 30 miles driving distance of the condominium property to provide that the records must be kept at a location within the county in which the condominium property is located.