



979386

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/07/2010	.	
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The Committee on Judiciary (Fasano) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Subsection (8) is added to section 399.02,  
Florida Statutes, to read:

399.02 General requirements.-

(8) Updates to the code requiring modifications for Phase  
II Firefighters' Service on existing elevators, as amended into  
the Safety Code for Existing Elevators and Escalators, ASME  
A17.1 and A17.3, may not be enforced on elevators in  
condominiums, cooperatives, or multifamily residential buildings  
issued a certificate of occupancy by the local building



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14 authority as of July 1, 2008, for 5 years or until the elevator  
15 is replaced or requires major modification, whichever occurs  
16 first. This exception does not apply to a building for which a  
17 certificate of occupancy was issued after July 1, 2008. This  
18 exception does not prevent an elevator owner from requesting a  
19 variance from the applicable codes before or after the  
20 expiration of the 5-year term. This subsection does not prohibit  
21 the division from granting variances pursuant to s. 120.542. The  
22 division shall adopt rules to administer this subsection.

23 Section 2. Subsection (7) of section 617.0721, Florida  
24 Statutes, is amended to read:

25 617.0721 Voting by members.—

26 (7) Subsections (1), ~~(2)~~, (5), and (6) do not apply to a  
27 corporation that is an association, as defined in s. 720.301, or  
28 a corporation regulated by chapter 718 or chapter 719.

29 Section 3. Subsection (3) is added to section 617.0808,  
30 Florida Statutes, to read:

31 617.0808 Removal of directors.—

32 (3) This section does not apply to any corporation that is  
33 an association, as defined in s. 720.301, or a corporation  
34 regulated under chapter 718 or chapter 719.

35 Section 4. Section 617.1606, Florida Statutes, is created  
36 to read:

37 617.1606 Access to records.—Sections 617.1601-617.1605 do  
38 not apply to a corporation that is an association, as defined in  
39 s. 720.301, or a corporation regulated under chapter 718 or  
40 chapter 719.

41 Section 5. Section 627.714, Florida Statutes, is created to  
42 read:



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43           627.714 Residential condominium unit owner coverage; loss  
44 assessment coverage required.—For policies issued or renewed on  
45 or after July 1, 2010, coverage under a unit owner's residential  
46 property policy must include at least \$2,000 in property loss  
47 assessment coverage for all assessments made as a result of the  
48 same direct loss to the property, regardless of the number of  
49 assessments, owned by all members of the association  
50 collectively if such loss is of the type of loss covered by the  
51 unit owner's residential property insurance policy, to which a  
52 deductible of no more than \$250 per direct property loss  
53 applies. If a deductible was or will be applied to other  
54 property loss sustained by the unit owner resulting from the  
55 same direct loss to the property, no deductible applies to the  
56 loss assessment coverage. Every individual unit owner's  
57 residential property policy must contain a provision stating  
58 that the coverage afforded by such policy is excess coverage  
59 over the amount recoverable under any other policy covering the  
60 same property.

61           Section 6. Subsection (13) is added to section 633.0215,  
62 Florida Statutes, to read:

63           633.0215 Florida Fire Prevention Code.—

64           (13) A condominium, cooperative, or multifamily residential  
65 building that is less than four stories in height and has a  
66 corridor providing an exterior means of egress is exempt from  
67 the requirement to install a manual fire alarm system under s.  
68 9.6 of the Life Safety Code adopted in the Florida Fire  
69 Prevention Code.

70           Section 7. Subsection (16) of section 718.103, Florida  
71 Statutes, is amended to read:



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72 718.103 Definitions.—As used in this chapter, the term:

73 (16) "Developer" means a person who creates a condominium  
74 or offers condominium parcels for sale or lease in the ordinary  
75 course of business, but does not include:

76 (a) An owner or lessee of a condominium or cooperative unit  
77 who has acquired the unit for his or her own occupancy; ~~nor~~  
78 ~~does it include~~

79 (b) A cooperative association that ~~which~~ creates a  
80 condominium by conversion of an existing residential cooperative  
81 after control of the association has been transferred to the  
82 unit owners if, following the conversion, the unit owners are  
83 ~~will be~~ the same persons who were unit owners of the cooperative  
84 and no units are offered for sale or lease to the public as part  
85 of the plan of conversion;~~;~~

86 (c) A bulk assignee or bulk buyer as defined in s. 718.703;  
87 or

88 (d) A state, county, or municipal entity ~~is not a developer~~  
89 ~~for any purposes under this act when it is~~ acting as a lessor  
90 and not otherwise named as a developer in the declaration of  
91 condominium association.

92 Section 8. Subsection (13) of section 718.110, Florida  
93 Statutes, is amended to read:

94 718.110 Amendment of declaration; correction of error or  
95 omission in declaration by circuit court.—

96 (13) An Any amendment prohibiting restricting unit owners  
97 from renting their units or altering the duration of the rental  
98 term or specifying or limiting the number of times unit owners  
99 are entitled to rent their units during a specified period  
100 ~~owners' rights relating to the rental of units applies only to~~



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101 unit owners who consent to the amendment and unit owners who  
102 acquire title to ~~purchase~~ their units after the effective date  
103 of that amendment.

104 Section 9. Paragraphs (a), (b), (c), (d), (f), (g), (j),  
105 and (n) of subsection (11) and subsections (12) and (13) of  
106 section 718.111, Florida Statutes, are amended to read:

107 718.111 The association.—

108 (11) INSURANCE.—In order to protect the safety, health, and  
109 welfare of the people of the State of Florida and to ensure  
110 consistency in the provision of insurance coverage to  
111 condominiums and their unit owners, this subsection applies to  
112 every residential condominium in the state, regardless of the  
113 date of its declaration of condominium. It is the intent of the  
114 Legislature to encourage lower or stable insurance premiums for  
115 associations described in this subsection.

116 (a) Adequate property hazard ~~hazard~~ insurance, regardless of any  
117 requirement in the declaration of condominium for coverage by  
118 the association for full insurable value, replacement cost, or  
119 similar coverage, must ~~shall~~ be based on ~~upon~~ the replacement  
120 cost of the property to be insured as determined by an  
121 independent insurance appraisal or update of a prior appraisal.  
122 The replacement cost ~~must full insurable value shall~~ be  
123 determined at least once every 36 months.

124 1. An association or group of associations may provide  
125 adequate property hazard ~~hazard~~ insurance through a self-insurance fund  
126 that complies with the requirements of ss. 624.460-624.488.

127 2. The association may also provide adequate property  
128 ~~hazard~~ insurance coverage for a group of at least ~~no fewer than~~  
129 three communities created and operating under this chapter,



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130 chapter 719, chapter 720, or chapter 721 by obtaining and  
131 maintaining for such communities insurance coverage sufficient  
132 to cover an amount equal to the probable maximum loss for the  
133 communities for a 250-year windstorm event. Such probable  
134 maximum loss must be determined through the use of a competent  
135 model that has been accepted by the Florida Commission on  
136 Hurricane Loss Projection Methodology. A ~~No~~ policy or program  
137 providing such coverage may not ~~shall~~ be issued or renewed after  
138 July 1, 2008, unless it has been reviewed and approved by the  
139 Office of Insurance Regulation. The review and approval must  
140 ~~shall~~ include approval of the policy and related forms pursuant  
141 to ss. 627.410 and 627.411, approval of the rates pursuant to s.  
142 627.062, a determination that the loss model approved by the  
143 commission was accurately and appropriately applied to the  
144 insured structures to determine the 250-year probable maximum  
145 loss, and a determination that complete and accurate disclosure  
146 of all material provisions is provided to condominium unit  
147 owners before ~~prior to~~ execution of the agreement by a  
148 condominium association.

149 3. When determining the adequate amount of property hazard  
150 insurance coverage, the association may consider deductibles as  
151 determined by this subsection.

152 (b) If an association is a developer-controlled  
153 association, the association shall exercise its best efforts to  
154 obtain and maintain insurance as described in paragraph (a).  
155 Failure to obtain and maintain adequate property hazard  
156 insurance during any period of developer control constitutes a  
157 breach of fiduciary responsibility by the developer-appointed  
158 members of the board of directors of the association, unless the



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159 members can show that despite such failure, they have made their  
160 best efforts to maintain the required coverage.

161 (c) Policies may include deductibles as determined by the  
162 board.

163 1. The deductibles must ~~shall~~ be consistent with industry  
164 standards and prevailing practice for communities of similar  
165 size and age, and having similar construction and facilities in  
166 the locale where the condominium property is situated.

167 2. The deductibles may be based upon available funds,  
168 including reserve accounts, or predetermined assessment  
169 authority at the time the insurance is obtained.

170 3. The board shall establish the amount of deductibles  
171 based upon the level of available funds and predetermined  
172 assessment authority at a meeting of the board. ~~Such meeting  
173 shall be open to all unit owners in the manner set forth in s.  
174 718.112(2) (e). The notice of such meeting must state the  
175 proposed deductible and the available funds and the assessment  
176 authority relied upon by the board and estimate any potential  
177 assessment amount against each unit, if any. The meeting  
178 described in this paragraph may be held in conjunction with a  
179 meeting to consider the proposed budget or an amendment thereto.~~

180 (d) An association controlled by unit owners operating as a  
181 residential condominium shall use its best efforts to obtain and  
182 maintain adequate property insurance to protect the association,  
183 the association property, the common elements, and the  
184 condominium property that must ~~is required to~~ be insured by the  
185 association pursuant to this subsection.

186 (f) Every property ~~hazard~~ insurance policy issued or  
187 renewed on or after January 1, 2009, for the purpose of



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188 protecting the condominium must ~~shall~~ provide primary coverage  
189 for:

190 1. All portions of the condominium property as originally  
191 installed or replacement of like kind and quality, in accordance  
192 with the original plans and specifications.

193 2. All alterations or additions made to the condominium  
194 property or association property pursuant to s. 718.113(2).

195 3. The coverage must ~~shall~~ exclude all personal property  
196 within the unit or limited common elements, and floor, wall, and  
197 ceiling coverings, electrical fixtures, appliances, water  
198 heaters, water filters, built-in cabinets and countertops, and  
199 window treatments, including curtains, drapes, blinds, hardware,  
200 and similar window treatment components, or replacements of any  
201 of the foregoing which are located within the boundaries of the  
202 unit and serve only such unit. Such property and any insurance  
203 thereupon is the responsibility of the unit owner.

204 (g) A condominium unit owner's policy must conform to the  
205 requirements of s. 627.714. Every hazard insurance policy issued  
206 or renewed on or after January 1, 2009, to an individual unit  
207 owner must contain a provision stating that the coverage  
208 afforded by such policy is excess coverage over the amount  
209 recoverable under any other policy covering the same property.  
210 Such policies must include special assessment coverage of no  
211 less than \$2,000 per occurrence. An insurance policy issued to  
212 an individual unit owner providing such coverage does not  
213 provide rights of subrogation against the condominium  
214 association operating the condominium in which such individual's  
215 unit is located.

216 1. ~~All improvements or additions to the condominium~~





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217 ~~property that benefit fewer than all unit owners shall be~~  
218 ~~insured by the unit owner or owners having the use thereof, or~~  
219 ~~may be insured by the association at the cost and expense of the~~  
220 ~~unit owners having the use thereof.~~

221 ~~2. The association shall require each owner to provide~~  
222 ~~evidence of a currently effective policy of hazard and liability~~  
223 ~~insurance upon request, but not more than once per year. Upon~~  
224 ~~the failure of an owner to provide a certificate of insurance~~  
225 ~~issued by an insurer approved to write such insurance in this~~  
226 ~~state within 30 days after the date on which a written request~~  
227 ~~is delivered, the association may purchase a policy of insurance~~  
228 ~~on behalf of an owner. The cost of such a policy, together with~~  
229 ~~reconstruction costs undertaken by the association but which are~~  
230 ~~the responsibility of the unit owner, may be collected in the~~  
231 ~~manner provided for the collection of assessments in s. 718.116.~~

232 ~~1.3.~~ All reconstruction work after a property ~~casualty~~ loss  
233 ~~must shall~~ be undertaken by the association except as otherwise  
234 authorized in this section. A unit owner may undertake  
235 reconstruction work on portions of the unit with the prior  
236 written consent of the board of administration. However, such  
237 work may be conditioned upon the approval of the repair methods,  
238 the qualifications of the proposed contractor, or the contract  
239 that is used for that purpose. A unit owner must ~~shall~~ obtain  
240 all required governmental permits and approvals before ~~prior to~~  
241 commencing reconstruction.

242 ~~2.4.~~ Unit owners are responsible for the cost of  
243 reconstruction of any portions of the condominium property for  
244 which the unit owner is required to carry property ~~casualty~~  
245 insurance, and any such reconstruction work undertaken by the



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246 association is ~~shall be~~ chargeable to the unit owner and  
247 enforceable as an assessment pursuant to s. 718.116. ~~The~~  
248 ~~association must be an additional named insured and loss payee~~  
249 ~~on all casualty insurance policies issued to unit owners in the~~  
250 ~~condominium operated by the association.~~

251 3.5. A multicondominium association may elect, by a  
252 majority vote of the collective members of the condominiums  
253 operated by the association, to operate the ~~such~~ condominiums as  
254 a single condominium for purposes of insurance matters,  
255 including, but not limited to, the purchase of the property  
256 ~~hazard~~ insurance required by this section and the apportionment  
257 of deductibles and damages in excess of coverage. The election  
258 to aggregate the treatment of insurance premiums, deductibles,  
259 and excess damages constitutes an amendment to the declaration  
260 of all condominiums operated by the association, and the costs  
261 of insurance must ~~shall~~ be stated in the association budget. The  
262 amendments must ~~shall~~ be recorded as required by s. 718.110.

263 (j) Any portion of the condominium property that must  
264 ~~required to~~ be insured by the association against property  
265 ~~casualty~~ loss pursuant to paragraph (f) which is damaged ~~by~~  
266 ~~casualty~~ shall be reconstructed, repaired, or replaced as  
267 necessary by the association as a common expense. All property  
268 ~~hazard~~ insurance deductibles, uninsured losses, and other  
269 damages in excess of property ~~hazard~~ insurance coverage under  
270 the property ~~hazard~~ insurance policies maintained by the  
271 association are a common expense of the condominium, except  
272 that:

273 1. A unit owner is responsible for the costs of repair or  
274 replacement of any portion of the condominium property not paid



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275 by insurance proceeds, if such damage is caused by intentional  
276 conduct, negligence, or failure to comply with the terms of the  
277 declaration or the rules of the association by a unit owner, the  
278 members of his or her family, unit occupants, tenants, guests,  
279 or invitees, without compromise of the subrogation rights of the  
280 ~~any insurer as set forth in paragraph (g).~~

281 2. The provisions of subparagraph 1. regarding the  
282 financial responsibility of a unit owner for the costs of  
283 repairing or replacing other portions of the condominium  
284 property also apply to the costs of repair or replacement of  
285 personal property of other unit owners or the association, as  
286 well as other property, whether real or personal, which the unit  
287 owners are required to insure ~~under paragraph (g).~~

288 3. To the extent the cost of repair or reconstruction for  
289 which the unit owner is responsible under this paragraph is  
290 reimbursed to the association by insurance proceeds, and, ~~to the~~  
291 ~~extent~~ the association has collected the cost of such repair or  
292 reconstruction from the unit owner, the association shall  
293 reimburse the unit owner without the waiver of any rights of  
294 subrogation.

295 4. The association is not obligated to pay for  
296 reconstruction or repairs of property casualty losses as a  
297 common expense if the property casualty losses were known or  
298 should have been known to a unit owner and were not reported to  
299 the association until after the insurance claim of the  
300 association for that property casualty was settled or resolved  
301 with finality, or denied because ~~on the basis that~~ it was  
302 untimely filed.

303 (n) The association is not obligated to pay for any



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304 reconstruction or repair expenses due to property ~~casualty~~ loss  
305 to any improvements installed by a current or former owner of  
306 the unit or by the developer if the improvement benefits only  
307 the unit for which it was installed and is not part of the  
308 standard improvements installed by the developer on all units as  
309 part of original construction, whether or not such improvement  
310 is located within the unit. This paragraph does not relieve any  
311 party of its obligations regarding recovery due under any  
312 insurance implemented specifically for ~~any~~ such improvements.

313 (12) OFFICIAL RECORDS.—

314 (a) From the inception of the association, the association  
315 shall maintain each of the following items, if ~~when~~ applicable,  
316 which shall constitute the official records of the association:

317 1. A copy of the plans, permits, warranties, and other  
318 items provided by the developer pursuant to s. 718.301(4).

319 2. A photocopy of the recorded declaration of condominium  
320 of each condominium operated by the association and of each  
321 amendment to each declaration.

322 3. A photocopy of the recorded bylaws of the association  
323 and of each amendment to the bylaws.

324 4. A certified copy of the articles of incorporation of the  
325 association, or other documents creating the association, and of  
326 each amendment thereto.

327 5. A copy of the current rules of the association.

328 6. A book or books which contain the minutes of all  
329 meetings of the association, of the board of administration, and  
330 of unit owners, which minutes must ~~shall~~ be retained for at  
331 least ~~a period of not less than~~ 7 years.

332 7. A current roster of all unit owners and their mailing



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333 addresses, unit identifications, voting certifications, and, if  
334 known, telephone numbers. The association shall also maintain  
335 the electronic mailing addresses and the numbers designated by  
336 unit owners for receiving notice sent by electronic transmission  
337 of those unit owners consenting to receive notice by electronic  
338 transmission. The electronic mailing addresses and telephone  
339 numbers must provided by unit owners to receive notice by  
340 electronic transmission shall be removed from association  
341 records if when consent to receive notice by electronic  
342 transmission is revoked. However, the association is not liable  
343 for an erroneous disclosure of the electronic mail address or  
344 the number for receiving electronic transmission of notices.

345 8. All current insurance policies of the association and  
346 condominiums operated by the association.

347 9. A current copy of any management agreement, lease, or  
348 other contract to which the association is a party or under  
349 which the association or the unit owners have an obligation or  
350 responsibility.

351 10. Bills of sale or transfer for all property owned by the  
352 association.

353 11. Accounting records for the association and separate  
354 accounting records for each condominium which the association  
355 operates. All accounting records shall be maintained for at  
356 least a period of not less than 7 years. Any person who  
357 knowingly or intentionally defaces or destroys accounting  
358 records required to be created and maintained by this chapter  
359 during the period for which such records are required to be  
360 maintained, or who knowingly or intentionally fails to create or  
361 maintain such ~~accounting records required to be maintained by~~



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362 ~~this chapter~~, with the intent of causing harm to the association  
363 or one or more of its members, is personally subject to a civil  
364 penalty pursuant to s. 718.501(1)(d). The accounting records  
365 must ~~shall~~ include, but are not limited to:

366 a. Accurate, itemized, and detailed records of all receipts  
367 and expenditures.

368 b. A current account and a monthly, bimonthly, or quarterly  
369 statement of the account for each unit designating the name of  
370 the unit owner, the due date and amount of each assessment, the  
371 amount paid upon the account, and the balance due.

372 c. All audits, reviews, accounting statements, and  
373 financial reports of the association or condominium.

374 d. All contracts for work to be performed. Bids for work to  
375 be performed are ~~shall~~ also ~~be~~ considered official records and  
376 must ~~shall~~ be maintained by the association.

377 12. Ballots, sign-in sheets, voting proxies, and all other  
378 papers relating to voting by unit owners, which must ~~shall~~ be  
379 maintained for ~~a period of~~ 1 year from the date of the election,  
380 vote, or meeting to which the document relates, notwithstanding  
381 paragraph (b).

382 13. All rental records if, ~~when~~ the association is acting  
383 as agent for the rental of condominium units.

384 14. A copy of the current question and answer sheet as  
385 described in ~~by~~ s. 718.504.

386 15. All other records of the association not specifically  
387 included in the foregoing which are related to the operation of  
388 the association.

389 16. A copy of the inspection report as provided ~~for~~ in s.  
390 718.301(4)(p).



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391 (b) The official records of the association must ~~shall~~ be  
392 maintained within the state for at least 7 years. The records of  
393 the association shall be made available to a unit owner within  
394 45 miles of the condominium property or within the county in  
395 which the condominium property is located within 5 working days  
396 after receipt of a written request by the board or its designee.  
397 However, such distance requirement does not apply to an  
398 association governing a timeshare condominium. This paragraph  
399 may be complied with by having a copy of the official records of  
400 the association available for inspection or copying on the  
401 condominium property or association property, or the association  
402 may offer the option of making the records ~~of the association~~  
403 available to a unit owner ~~either~~ electronically via the Internet  
404 or by allowing the records to be viewed in electronic format on  
405 a computer screen and printed upon request. The association is  
406 not responsible for the use or misuse of the information  
407 provided to an association member or his or her authorized  
408 representative pursuant to the compliance requirements of this  
409 chapter unless the association has an affirmative duty not to  
410 disclose such information pursuant to this chapter.

411 (c) The official records of the association are open to  
412 inspection by any association member or the authorized  
413 representative of such member at all reasonable times. The right  
414 to inspect the records includes the right to make or obtain  
415 copies, at the reasonable expense, if any, of the ~~association~~  
416 member. The association may adopt reasonable rules regarding the  
417 frequency, time, location, notice, and manner of record  
418 inspections and copying. The failure of an association to  
419 provide the records within 10 working days after receipt of a



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420 written request creates ~~shall create~~ a rebuttable presumption  
421 that the association willfully failed to comply with this  
422 paragraph. A unit owner who is denied access to official records  
423 is entitled to the actual damages or minimum damages for the  
424 association's willful failure to comply ~~with this paragraph~~. The  
425 Minimum damages shall be \$50 per calendar day up to 10 days, the  
426 calculation to begin on the 11th working day after receipt of  
427 the written request. The failure to permit inspection of the  
428 association records as provided herein entitles any person  
429 prevailing in an enforcement action to recover reasonable  
430 attorney's fees from the person in control of the records who,  
431 directly or indirectly, knowingly denied access to the records  
432 ~~for inspection~~. Any person who knowingly or intentionally  
433 defaces or destroys accounting records that are required by this  
434 chapter to be maintained during the period for which such  
435 records are required to be maintained, or who knowingly or  
436 intentionally fails to create or maintain accounting records  
437 that are required to be created or maintained ~~by this chapter~~,  
438 with the intent of causing harm to the association or one or  
439 more of its members, is personally subject to a civil penalty  
440 pursuant to s. 718.501(1)(d). The association shall maintain an  
441 adequate number of copies of the declaration, articles of  
442 incorporation, bylaws, and rules, and all amendments to each of  
443 the foregoing, as well as the question and answer sheet provided  
444 for in s. 718.504 and year-end financial information required in  
445 this section, on the condominium property to ensure their  
446 availability to unit owners and prospective purchasers, and may  
447 charge its actual costs for preparing and furnishing these  
448 documents to those requesting the documents ~~same~~.





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449 Notwithstanding the provisions of this paragraph, the following  
450 records are ~~shall~~ not be accessible to unit owners:

451 1. Any record protected by the lawyer-client privilege as  
452 described in s. 90.502; and any record protected by the work-  
453 product privilege, including any record prepared by an  
454 association attorney or prepared at the attorney's express  
455 direction; which reflects a mental impression, conclusion,  
456 litigation strategy, or legal theory of the attorney or the  
457 association, and which was prepared exclusively for civil or  
458 criminal litigation or for adversarial administrative  
459 proceedings, or which was prepared in anticipation of imminent  
460 civil or criminal litigation or imminent adversarial  
461 administrative proceedings until the conclusion of the  
462 litigation or adversarial administrative proceedings.

463 2. Information obtained by an association in connection  
464 with the approval of the lease, sale, or other transfer of a  
465 unit.

466 3. Personnel records of association employees, including,  
467 but not limited to, disciplinary, payroll, health, and insurance  
468 records.

469 4.3. Medical records of unit owners.

470 5.4. Social security numbers, driver's license numbers,  
471 credit card numbers, e-mail addresses, telephone numbers,  
472 emergency contact information, any addresses of a unit owner  
473 other than as provided to fulfill the association's notice  
474 requirements, and other personal identifying information of any  
475 person, excluding the person's name, unit designation, mailing  
476 address, and property address.

477 6. Any electronic security measure that is used by the



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478 association to safeguard data, including passwords.  
479 7. The software and operating system used by the  
480 association which allows manipulation of data, even if the owner  
481 owns a copy of the same software used by the association. The  
482 data is part of the official records of the association.  
483 (13) FINANCIAL REPORTING.—Within 90 days after the end of  
484 the fiscal year, or annually on a date provided in the bylaws,  
485 the association shall prepare and complete, or contract for the  
486 preparation and completion of, a financial report for the  
487 preceding fiscal year. Within 21 days after the final financial  
488 report is completed by the association or received from the  
489 third party, but not later than 120 days after the end of the  
490 fiscal year or other date as provided in the bylaws, the  
491 association shall mail to each unit owner at the address last  
492 furnished to the association by the unit owner, or hand deliver  
493 to each unit owner, a copy of the financial report or a notice  
494 that a copy of the financial report will be mailed or hand  
495 delivered to the unit owner, without charge, upon receipt of a  
496 written request from the unit owner. The division shall adopt  
497 rules setting forth uniform accounting principles and standards  
498 to be used by all associations and ~~shall adopt rules~~ addressing  
499 the financial reporting requirements for multicondominium  
500 associations. The rules must ~~shall~~ include, but not be limited  
501 to, standards for presenting a summary of association reserves,  
502 including a good faith estimate disclosing the annual amount of  
503 reserve funds that would be necessary for the association to  
504 fully fund reserves for each reserve item based on the straight-  
505 line accounting method. This disclosure is not applicable to  
506 reserves funded via the pooling method. ~~uniform accounting~~



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507 ~~principles and standards for stating the disclosure of at least~~  
508 ~~a summary of the reserves, including information as to whether~~  
509 ~~such reserves are being funded at a level sufficient to prevent~~  
510 ~~the need for a special assessment and, if not, the amount of~~  
511 ~~assessments necessary to bring the reserves up to the level~~  
512 ~~necessary to avoid a special assessment. The person preparing~~  
513 ~~the financial reports shall be entitled to rely on an inspection~~  
514 ~~report prepared for or provided to the association to meet the~~  
515 ~~fiscal and fiduciary standards of this chapter. In adopting such~~  
516 ~~rules, the division shall consider the number of members and~~  
517 ~~annual revenues of an association. Financial reports shall be~~  
518 ~~prepared as follows:~~

519 (a) An association that meets the criteria of this  
520 paragraph shall prepare ~~or cause to be prepared~~ a complete set  
521 of financial statements in accordance with generally accepted  
522 accounting principles. The financial statements must ~~shall~~ be  
523 based upon the association's total annual revenues, as follows:

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

527 2. An association with total annual revenues of at least  
528 \$200,000, but less than \$400,000, shall prepare reviewed  
529 financial statements.

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

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

535 2. An association that ~~which~~ operates fewer ~~less~~ than 75 ~~50~~



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536 units, regardless of the association's annual revenues, shall  
537 prepare a report of cash receipts and expenditures in lieu of  
538 financial statements required by paragraph (a).

539 3. A report of cash receipts and disbursements must  
540 disclose the amount of receipts by accounts and receipt  
541 classifications and the amount of expenses by accounts and  
542 expense classifications, including, but not limited to, the  
543 following, as applicable: costs for security, professional and  
544 management fees and expenses, taxes, costs for recreation  
545 facilities, expenses for refuse collection and utility services,  
546 expenses for lawn care, costs for building maintenance and  
547 repair, insurance costs, administration and salary expenses, and  
548 reserves accumulated and expended for capital expenditures,  
549 deferred maintenance, and any other category for which the  
550 association maintains reserves.

551 (c) An association may prepare ~~or cause to be prepared,~~  
552 without a meeting of or approval by the unit owners:

553 1. Compiled, reviewed, or audited financial statements, if  
554 the association is required to prepare a report of cash receipts  
555 and expenditures;

556 2. Reviewed or audited financial statements, if the  
557 association is required to prepare compiled financial  
558 statements; or

559 3. Audited financial statements if the association is  
560 required to prepare reviewed financial statements.

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

564 1. A report of cash receipts and expenditures in lieu of a



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565 compiled, reviewed, or audited financial statement;  
566 2. A report of cash receipts and expenditures or a compiled  
567 financial statement in lieu of a reviewed or audited financial  
568 statement; or

569 3. A report of cash receipts and expenditures, a compiled  
570 financial statement, or a reviewed financial statement in lieu  
571 of an audited financial statement.

572  
573 Such meeting and approval must occur before ~~prior to~~ the end of  
574 the fiscal year and is effective only for the fiscal year in  
575 which the vote is taken, except that the approval may also ~~may~~  
576 be effective for the following fiscal year. With respect to an  
577 association to which the developer has not turned over control  
578 of the association, all unit owners, including the developer,  
579 may vote on issues related to the preparation of financial  
580 reports for the first 2 fiscal years of the association's  
581 operation, beginning with the fiscal year in which the  
582 declaration is recorded. Thereafter, all unit owners except the  
583 developer may vote on such issues until control is turned over  
584 to the association by the developer. Any audit or review  
585 prepared under this section shall be paid for by the developer  
586 if done before ~~prior to~~ turnover of control of the association.  
587 An association may not waive the financial reporting  
588 requirements of this section for more than 3 consecutive years.

589 Section 10. Paragraphs (d), (l), (n), and (o) of subsection  
590 (2) of section 718.112, Florida Statutes, are amended to read:

591 718.112 Bylaws.—

592 (2) REQUIRED PROVISIONS.—The bylaws shall provide for the  
593 following and, if they do not do so, shall be deemed to include



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594 the following:

595 (d) *Unit owner meetings.*—

596 1. ~~There shall be~~ An annual meeting of the unit owners  
597 shall be held at the location provided in the association bylaws  
598 and, if the bylaws are silent as to the location, the meeting  
599 shall be held within 45 miles of the condominium property.  
600 However, such distance requirement does not apply to an  
601 association governing a timeshare condominium. Unless the bylaws  
602 provide otherwise, a vacancy on the board caused by the  
603 expiration of a director's term shall be filled by electing a  
604 new board member, and the election must ~~shall~~ be by secret  
605 ballot. ~~However,~~ if the number of vacancies equals or exceeds  
606 the number of candidates, an ~~no~~ election is not required. Except  
607 in a timeshare condominium, the terms of all members of the  
608 board ~~shall~~ expire at the annual meeting and such board members  
609 may stand for reelection unless otherwise permitted by the  
610 bylaws. If ~~In the event that~~ the bylaws permit staggered terms  
611 of no more than 2 years and upon approval of a majority of the  
612 total voting interests, the association board members may serve  
613 2-year staggered terms. If the number of board members whose  
614 terms have expired exceeds the number of eligible members  
615 showing interest in or demonstrating an intention to run for the  
616 vacant positions ~~no person is interested in or demonstrates an~~  
617 ~~intention to run for the position of a board member whose term~~  
618 ~~has expired according to the provisions of this subparagraph,~~  
619 each such board member whose term has expired is eligible for  
620 reappointment ~~shall be automatically reappointed~~ to the board of  
621 administration and need not stand for reelection. In a  
622 condominium association of more than 10 units or in a



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623 condominium association that does not include timeshare units or  
624 timeshare interests, coowners of a unit may not serve as members  
625 of the board of directors at the same time unless they own more  
626 than one unit or unless there are not enough eligible candidates  
627 to fill the vacancies on the board at the time of the vacancy.  
628 Any unit owner desiring to be a candidate for board membership  
629 must shall comply with sub-subparagraph subparagraph 3.a. A  
630 person who has been suspended or removed by the division under  
631 this chapter, or who is delinquent in the payment of any fee,  
632 fine, or special or regular assessment as provided in paragraph  
633 (n), is not eligible for board membership. A person who has been  
634 convicted of any felony in this state or in a United States  
635 District or Territorial Court, or who has been convicted of any  
636 offense in another jurisdiction that would be considered a  
637 felony if committed in this state, is not eligible for board  
638 membership unless such felon's civil rights have been restored  
639 for at least a period of no less than 5 years as of the date on  
640 which such person seeks election to the board. The validity of  
641 an action by the board is not affected if it is later determined  
642 that a member of the board is ineligible for board membership  
643 due to having been convicted of a felony.

644 2. The bylaws must shall provide the method of calling  
645 meetings of unit owners, including annual meetings. Written  
646 notice, which ~~notice~~ must include an agenda, shall be mailed,  
647 hand delivered, or electronically transmitted to each unit owner  
648 at least 14 days before ~~prior to~~ the annual meeting and must  
649 ~~shall~~ be posted in a conspicuous place on the condominium  
650 property at least 14 continuous days preceding the annual  
651 meeting. Upon notice to the unit owners, the board shall, by



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652 duly adopted rule, designate a specific location on the  
653 condominium property or association property upon which all  
654 notices of unit owner meetings shall be posted. However, if  
655 there is no condominium property or association property upon  
656 which notices can be posted, this requirement does not apply. In  
657 lieu of or in addition to the physical posting of meeting  
658 notices ~~notice of any meeting of the unit owners on the~~  
659 ~~condominium property~~, the association may, by reasonable rule,  
660 adopt a procedure for conspicuously posting and repeatedly  
661 broadcasting the notice and the agenda on a closed-circuit cable  
662 television system serving the condominium association. However,  
663 if broadcast notice is used in lieu of a notice posted  
664 physically on the condominium property, the notice and agenda  
665 must be broadcast at least four times every broadcast hour of  
666 each day that a posted notice is otherwise required under this  
667 section. If ~~When~~ broadcast notice is provided, the notice and  
668 agenda must be broadcast in a manner and for a sufficient  
669 continuous length of time so as to allow an average reader to  
670 observe the notice and read and comprehend the entire content of  
671 the notice and the agenda. Unless a unit owner waives in writing  
672 the right to receive notice of the annual meeting, such notice  
673 must ~~shall~~ be hand delivered, mailed, or electronically  
674 transmitted to each unit owner. Notice for meetings and notice  
675 for all other purposes must ~~shall~~ be mailed to each unit owner  
676 at the address last furnished to the association by the unit  
677 owner, or hand delivered to each unit owner. However, if a unit  
678 is owned by more than one person, the association shall provide  
679 notice, for meetings and all other purposes, to that one address  
680 which the developer initially identifies for that purpose and





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

690 3. The members of the board shall be elected by written  
691 ballot or voting machine. Proxies may not ~~shall in no event~~ be  
692 used in electing the board, ~~either~~ in general elections or  
693 elections to fill vacancies caused by recall, resignation, or  
694 otherwise, unless otherwise provided in this chapter.

695 a. At least ~~Not less than~~ 60 days before a scheduled  
696 election, the association shall mail, deliver, or electronically  
697 transmit, whether by separate association mailing or included in  
698 another association mailing, delivery, or transmission,  
699 including regularly published newsletters, to each unit owner  
700 entitled to a vote, a first notice of the date of the election  
701 ~~along with a certification form provided by the division~~  
702 ~~attesting that he or she has read and understands, to the best~~  
703 ~~of his or her ability, the governing documents of the~~  
704 ~~association and the provisions of this chapter and any~~  
705 ~~applicable rules.~~ Any unit owner or other eligible person  
706 desiring to be a candidate for the board must give written  
707 notice of his or her intent to be a candidate to the association  
708 at least ~~not less than~~ 40 days before a scheduled election.  
709 Together with the written notice and agenda as set forth in



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710 subparagraph 2., the association shall mail, deliver, or  
711 electronically transmit a second notice of the election to all  
712 unit owners entitled to vote ~~therein~~, together with a ballot  
713 that lists ~~which shall list~~ all candidates. Upon request of a  
714 candidate, ~~the association shall include~~ an information sheet,  
715 no larger than 8 1/2 inches by 11 inches, which must be  
716 furnished by the candidate at least not less than 35 days before  
717 the election, must ~~along with the signed certification form~~  
718 ~~provided for in this subparagraph~~, to be included with the  
719 mailing, delivery, or transmission of the ballot, with the costs  
720 of mailing, delivery, or electronic transmission and copying to  
721 be borne by the association. The association is not liable for  
722 the contents of the information sheets prepared by the  
723 candidates. In order to reduce costs, the association may print  
724 or duplicate the information sheets on both sides of the paper.  
725 The division shall by rule establish voting procedures  
726 consistent with this sub-subparagraph ~~the provisions contained~~  
727 ~~herein~~, including rules establishing procedures for giving  
728 notice by electronic transmission and rules providing for the  
729 secrecy of ballots. Elections shall be decided by a plurality of  
730 those ballots cast. There is ~~shall be~~ no quorum requirement;  
731 however, at least 20 percent of the eligible voters must cast a  
732 ballot in order to have a valid election of members of the  
733 board. A No unit owner may not ~~shall~~ permit any other person to  
734 vote his or her ballot, and any ~~such~~ ballots improperly cast are  
735 ~~shall be deemed~~ invalid, provided any unit owner who violates  
736 this provision may be fined by the association in accordance  
737 with s. 718.303. A unit owner who needs assistance in casting  
738 the ballot for the reasons stated in s. 101.051 may obtain such



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739 assistance ~~in casting the ballot~~. The regular election must  
740 ~~shall~~ occur on the date of the annual meeting. ~~The provisions of~~  
741 This sub-subparagraph ~~does subparagraph~~ shall not apply to  
742 timeshare condominium associations. Notwithstanding ~~the~~  
743 ~~provisions of this subparagraph~~ subparagraph, an election is  
744 not required unless more candidates file notices of intent to  
745 run or are nominated than board vacancies exist.

746 b. Within 90 days after being elected or appointed to the  
747 board, each newly elected or appointed director shall certify in  
748 writing to the secretary of the association that he or she has  
749 read the association's declaration of condominium, articles of  
750 incorporation, bylaws, and current written policies; that he or  
751 she will work to uphold such documents and policies to the best  
752 of his or her ability; and that he or she will faithfully  
753 discharge his or her fiduciary responsibility to the  
754 association's members. In lieu of this written certification,  
755 the newly elected or appointed director may submit a certificate  
756 of satisfactory completion of the educational curriculum  
757 administered by a division-approved condominium education  
758 provider. A director who fails to timely file the written  
759 certification or educational certificate is suspended from  
760 service on the board until he or she complies with this sub-  
761 subparagraph. The board may temporarily fill the vacancy during  
762 the period of suspension. The secretary shall cause the  
763 association to retain a director's written certification or  
764 educational certificate for inspection by the members for 5  
765 years after a director's election. Failure to have such written  
766 certification or educational certificate on file does not affect  
767 the validity of any action.



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768           4. Any approval by unit owners called for by this chapter  
769 or the applicable declaration or bylaws, including, but not  
770 limited to, the approval requirement in s. 718.111(8), shall be  
771 made at a duly noticed meeting of unit owners and is ~~shall be~~  
772 subject to all requirements of this chapter or the applicable  
773 condominium documents relating to unit owner decisionmaking,  
774 except that unit owners may take action by written agreement,  
775 without meetings, on matters for which action by written  
776 agreement without meetings is expressly allowed by the  
777 applicable bylaws or declaration or any statute that provides  
778 for such action.

779           5. Unit owners may waive notice of specific meetings if  
780 allowed by the applicable bylaws or declaration or any statute.  
781 If authorized by the bylaws, notice of meetings of the board of  
782 administration, unit owner meetings, except unit owner meetings  
783 called to recall board members under paragraph (j), and  
784 committee meetings may be given by electronic transmission to  
785 unit owners who consent to receive notice by electronic  
786 transmission.

787           6. Unit owners shall have the right to participate in  
788 meetings of unit owners with reference to all designated agenda  
789 items. However, the association may adopt reasonable rules  
790 governing the frequency, duration, and manner of unit owner  
791 participation.

792           7. Any unit owner may tape record or videotape a meeting of  
793 the unit owners subject to reasonable rules adopted by the  
794 division.

795           8. Unless otherwise provided in the bylaws, any vacancy  
796 occurring on the board before the expiration of a term may be



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797 filled by the affirmative vote of the majority of the remaining  
798 directors, even if the remaining directors constitute less than  
799 a quorum, or by the sole remaining director. In the alternative,  
800 a board may hold an election to fill the vacancy, in which case  
801 the election procedures must conform to the requirements of sub-  
802 subparagraph ~~subparagraph~~ 3.a. unless the association governs 10  
803 units or fewer ~~less~~ and has opted out of the statutory election  
804 process, in which case the bylaws of the association control.  
805 Unless otherwise provided in the bylaws, a board member  
806 appointed or elected under this section shall fill the vacancy  
807 for the unexpired term of the seat being filled. Filling  
808 vacancies created by recall is governed by paragraph (j) and  
809 rules adopted by the division.

810  
811 Notwithstanding subparagraph ~~subparagraphs~~ (b)2. and sub-  
812 subparagraph (d)3.a., an association of 10 or fewer units may,  
813 by ~~the~~ affirmative vote of a majority of the total voting  
814 interests, provide for different voting and election procedures  
815 in its bylaws, which vote may be by a proxy specifically  
816 delineating the different voting and election procedures. The  
817 different voting and election procedures may provide for  
818 elections to be conducted by limited or general proxy.

819 (1) *Certificate of compliance.* ~~There shall be~~ A provision  
820 that a certificate of compliance from a licensed electrical  
821 contractor or electrician may be accepted by the association's  
822 board as evidence of compliance of the condominium units with  
823 the applicable fire and life safety code must be included.  
824 Notwithstanding ~~the provisions of~~ chapter 633 or of any other  
825 code, statute, ordinance, administrative rule, or regulation, or



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826 any interpretation of the foregoing, an association,  
827 condominium, or unit owner is not obligated to retrofit the  
828 common elements, association property, or units of a residential  
829 condominium with a fire sprinkler system or any other form of  
830 engineered lifesafety system in a building that has been  
831 certified for occupancy by the applicable governmental entity,  
832 if the unit owners have voted to forego such retrofitting and  
833 engineered lifesafety system by the affirmative vote of a  
834 majority two-thirds of all voting interests in the affected  
835 condominium. ~~However, a condominium association may not vote to~~  
836 ~~forego the retrofitting with a fire sprinkler system of common~~  
837 ~~areas in a high-rise building. For purposes of this subsection,~~  
838 ~~the term "high-rise building" means a building that is greater~~  
839 ~~than 75 feet in height where the building height is measured~~  
840 ~~from the lowest level of fire department access to the floor of~~  
841 ~~the highest occupiable story. For purposes of this subsection,~~  
842 ~~the term "common areas" means any enclosed hallway, corridor,~~  
843 ~~lobby, stairwell, or entryway. In no event shall~~ The local  
844 authority having jurisdiction may not require completion of  
845 retrofitting ~~of common areas~~ with a sprinkler system or any  
846 other form of engineered lifesafety system before the end of  
847 2019 2014. By December 31, 2016, an association that is not in  
848 compliance with the requirements for a fire sprinkler system or  
849 other form of engineered lifesafety system and has not voted to  
850 forego retrofitting of such system must initiate an application  
851 for a building permit for the required installation with the  
852 local government having jurisdiction demonstrating that the  
853 association will become compliant by December 31, 2019.

854 1. A vote to forego retrofitting may be obtained by limited



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855 proxy or by a ballot personally cast at a duly called membership  
856 meeting, or by execution of a written consent by the member, and  
857 ~~is shall be~~ effective upon ~~the~~ recording ~~of~~ a certificate  
858 attesting to such vote in the public records of the county where  
859 the condominium is located. The association shall mail ~~or~~ hand  
860 deliver, ~~or electronically transmit~~ to each unit owner written  
861 notice at least 14 days before the ~~prior to such~~ membership  
862 meeting in which the vote to forego retrofitting of the required  
863 fire sprinkler system or any other form of engineered lifesafety  
864 system is to take place. Within 30 days after the association's  
865 opt-out vote, notice of the results of the opt-out vote must  
866 ~~shall~~ be mailed ~~or~~ hand delivered, ~~or electronically~~  
867 ~~transmitted~~ to all unit owners. Evidence of compliance with this  
868 ~~30-day~~ notice requirement must ~~shall~~ be made by ~~an~~ affidavit  
869 executed by the person providing the notice and filed among the  
870 official records of the association. After ~~such~~ notice is  
871 provided to each owner, a copy must ~~of such notice shall~~ be  
872 provided by the current owner to a new owner before ~~prior to~~  
873 closing and ~~shall be provided~~ by a unit owner to a renter before  
874 ~~prior to~~ signing a lease.

875 2. If there has been a previous vote to forego  
876 retrofitting, a vote to require retrofitting may be obtained at  
877 a special meeting of the unit owners called by a petition of at  
878 least 10 percent of the voting interests. Such a vote may only  
879 be called once every 3 years. Notice shall be provided as  
880 required for any regularly called meeting of the unit owners,  
881 and must state the purpose of the meeting. Electronic  
882 transmission may not be used to provide notice of a meeting  
883 called in whole or in part for this purpose.



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884        3.2- As part of the information collected annually from  
885 condominiums, the division shall require condominium  
886 associations to report the membership vote and recording of a  
887 certificate under this subsection and, if retrofitting has been  
888 undertaken, the per-unit cost of such work. The division shall  
889 annually report to the Division of State Fire Marshal of the  
890 Department of Financial Services the number of condominiums that  
891 have elected to forego retrofitting.

892        4. Notwithstanding s. 553.509, an association may not be  
893 obligated to, and may forego the retrofitting of, any  
894 improvements required by s. 553.509(2) upon an affirmative vote  
895 of a majority of the voting interests in the affected  
896 condominium.

897        (n) *Director or officer delinquencies.*—A director or  
898 officer more than 90 days delinquent in the payment of any  
899 monetary obligation due the association ~~regular assessments~~  
900 shall be deemed to have abandoned the office, creating a vacancy  
901 in the office to be filled according to law.

902        (o) *Director or officer offenses.*—A director or officer  
903 charged by information or indictment with a felony theft or  
904 embezzlement offense involving the association's funds or  
905 property must ~~shall~~ be removed from office, creating a vacancy  
906 in the office to be filled according to law until the end of the  
907 period of the suspension or the end of the director's term of  
908 office, whichever occurs first. While such director or officer  
909 has such criminal charge pending, he or she may not be appointed  
910 or elected to a position as a director or officer. However, if  
911 ~~should~~ the charges are ~~be~~ resolved without a finding of guilt,  
912 the director or officer shall be reinstated for the remainder of





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913 his or her term of office, if any.

914 Section 11. Paragraph (d) of subsection (1) of section  
915 718.115, Florida Statutes, is amended to read:

916 718.115 Common expenses and common surplus.-

917 (1)

918 (d) If ~~se~~ provided in the declaration, the cost of  
919 communications services as defined in chapter 202, information  
920 services, or Internet services ~~a master antenna television~~  
921 ~~system or duly franchised cable television service~~ obtained  
922 pursuant to a bulk contract is ~~shall be deemed~~ a common expense.  
923 If the declaration does not provide for the cost of such  
924 services ~~a master antenna television system or duly franchised~~  
925 ~~cable television service obtained under a bulk contract~~ as a  
926 common expense, the board may enter into such a contract, and  
927 the cost of the service will be a common expense. The cost for  
928 the services under a bulk-rate contract may be ~~but~~ allocated on  
929 a per-unit basis rather than a percentage basis if the  
930 declaration provides for other than an equal sharing of common  
931 expenses, and any contract entered into before July 1, 1998, in  
932 which the cost of the service is not equally divided among all  
933 unit owners, may be changed by vote of a majority of the voting  
934 interests present at a regular or special meeting of the  
935 association, to allocate the cost equally among all units. The  
936 contract must be for at least ~~shall be for a term of not less~~  
937 ~~than~~ 2 years.

938 1. Any contract made by the board on or after July 1, 1998,  
939 ~~the effective date hereof for a community antenna system or duly~~  
940 ~~franchised cable television service~~ may be canceled by a  
941 majority of the voting interests present at the next regular or



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942 special meeting of the association. Any member may make a motion  
943 to cancel the said contract, but if no motion is made or if such  
944 motion fails to obtain the required majority at the next regular  
945 or special meeting, whichever occurs first ~~is sooner~~, following  
946 the making of the contract, ~~then~~ such contract shall be deemed  
947 ratified for the term therein expressed.

948 2. ~~Any~~ Such contract must ~~shall~~ provide, and is ~~shall be~~  
949 deemed to provide if not expressly set forth, that any hearing-  
950 impaired or legally blind unit owner who does not occupy the  
951 unit with a non-hearing-impaired or sighted person, or any unit  
952 owner receiving supplemental security income under Title XVI of  
953 the Social Security Act or food stamps as administered by the  
954 Department of Children and Family Services pursuant to s.  
955 414.31, may discontinue the cable or video service without  
956 incurring disconnect fees, penalties, or subsequent service  
957 charges, and, as to such units, the owners are ~~shall not be~~  
958 required to pay any common expenses charge related to such  
959 service. If fewer ~~less~~ than all members of an association share  
960 the expenses of cable or video service ~~television~~, the expense  
961 shall be shared equally by all participating unit owners. The  
962 association may use the provisions of s. 718.116 to enforce  
963 payment of the shares of such costs by the unit owners receiving  
964 cable or video service ~~television~~.

965 Section 12. Paragraph (b) of subsection (1), subsection  
966 (3), and paragraph (b) of subsection (5) of section 718.116,  
967 Florida Statutes, are amended, and subsection (11) is added to  
968 that section, to read:

969 718.116 Assessments; liability; lien and priority;  
970 interest; collection.-



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(1)

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

1. The unit's unpaid common expenses and regular periodic assessments which accrued or came due during the 12 ~~6~~ months immediately preceding the acquisition of title and for which payment in full has not been received by the association; or
2. One percent of the original mortgage debt. The provisions of this paragraph apply only if the first mortgagee joined the association as a defendant in the foreclosure action. Joinder of the association is not required if, on the date the complaint is filed, the association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the mortgagee.

(3) Assessments and installments on assessments ~~them~~ which are not paid when due bear interest at the rate provided in the declaration, from the due date until paid. This rate may not exceed the rate allowed by law, and, if no rate is provided in the declaration, interest accrues ~~shall accrue~~ at the rate of 18 percent per year. Also, if provided by the declaration or bylaws ~~so provide~~, the association may, in addition to such interest, charge an administrative late fee of up to ~~in addition to such interest~~, ~~in an amount not to exceed~~ the greater of \$25 or 5 percent of each installment of the assessment for each delinquent installment for which ~~that~~ the payment is late. Any payment received by an association must ~~shall~~ be applied first



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1000 to any interest accrued by the association, then to any  
1001 administrative late fee, then to any costs and reasonable  
1002 attorney's fees incurred in collection, and then to the  
1003 delinquent assessment. The foregoing is ~~shall be~~ applicable  
1004 notwithstanding any restrictive endorsement, designation, or  
1005 instruction placed on or accompanying a payment. A late fee is  
1006 ~~shall not be~~ subject to ~~the provisions in~~ chapter 687 or s.  
1007 718.303(3).

1008 (5)

1009 (b) To be valid, a claim of lien must state the description  
1010 of the condominium parcel, the name of the record owner, the  
1011 name and address of the association, the amount due, and the due  
1012 dates. It must be executed and acknowledged by an officer or  
1013 authorized agent of the association. The ~~No such~~ lien is not  
1014 ~~shall be~~ effective longer than 1 year after the claim of lien  
1015 was recorded unless, within that time, an action to enforce the  
1016 lien is commenced. The 1-year period is ~~shall~~ automatically ~~be~~  
1017 extended for any length of time during which the association is  
1018 prevented from filing a foreclosure action by an automatic stay  
1019 resulting from a bankruptcy petition filed by the parcel owner  
1020 or any other person claiming an interest in the parcel. The  
1021 claim of lien secures ~~shall secure~~ all unpaid assessments that  
1022 ~~which~~ are due and that ~~which~~ may accrue after ~~subsequent to the~~  
1023 ~~recording of~~ the claim of lien is recorded and through ~~prior to~~  
1024 the entry of a final judgment ~~certificate of title~~, as well as  
1025 interest and all reasonable costs and attorney's fees incurred  
1026 by the association incident to the collection process. Upon  
1027 payment in full, the person making the payment is entitled to a  
1028 satisfaction of the lien.



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1029  
1030 After notice of contest of lien has been recorded, the clerk of  
1031 the circuit court shall mail a copy of the recorded notice to  
1032 the association by certified mail, return receipt requested, at  
1033 the address shown in the claim of lien or most recent amendment  
1034 to it and shall certify to the service on the face of the  
1035 notice. Service is complete upon mailing. After service, the  
1036 association has 90 days in which to file an action to enforce  
1037 the lien; and, if the action is not filed within the 90-day  
1038 period, the lien is void. However, the 90-day period shall be  
1039 extended for any length of time that the association is  
1040 prevented from filing its action because of an automatic stay  
1041 resulting from the filing of a bankruptcy petition by the unit  
1042 owner or by any other person claiming an interest in the parcel.

1043 (11) If the unit is occupied by a tenant and the unit owner  
1044 is delinquent in paying any monetary obligation due to the  
1045 association, the association may make a written demand that the  
1046 tenant pay the future monetary obligations related to the  
1047 condominium unit to the association, and the tenant must make  
1048 such payment. The demand is continuing in nature and, upon  
1049 demand, the tenant must pay the monetary obligations to the  
1050 association until the association releases the tenant or the  
1051 tenant discontinues tenancy in the unit. The association must  
1052 mail written notice to the unit owner of the association's  
1053 demand that the tenant make payments to the association. The  
1054 association shall, upon request, provide the tenant with written  
1055 receipts for payments made. A tenant who acts in good faith in  
1056 response to a written demand from an association is immune from  
1057 any claim from the unit owner.



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1058       (a) If the tenant prepaid rent to the unit owner before  
1059 receiving the demand from the association and provides written  
1060 evidence of paying the rent to the association within 14 days  
1061 after receiving the demand, the tenant shall receive credit for  
1062 the prepaid rent for the applicable period and must make any  
1063 subsequent rental payments to the association to be credited  
1064 against the monetary obligations of the unit owner to the  
1065 association.

1066       (b) The tenant is not liable for increases in the amount of  
1067 the monetary obligations due unless the tenant was notified in  
1068 writing of the increase at least 10 days before the date the  
1069 rent is due. The liability of the tenant may not exceed the  
1070 amount due from the tenant to the tenant's landlord. The  
1071 tenant's landlord shall provide the tenant a credit against  
1072 rents due to the unit owner in the amount of monies paid to the  
1073 association under this section.

1074       (c) The association may issue notices under s. 83.56 and  
1075 may sue for eviction under ss. 83.59-83.625 as if the  
1076 association were a landlord under part II of chapter 83 if the  
1077 tenant fails to pay a required payment to the association.  
1078 However, the association is not otherwise considered a landlord  
1079 under chapter 83 and specifically has no duties under s. 83.51.

1080       (d) The tenant does not, by virtue of payment of monetary  
1081 obligations to the association, have any of the rights of a unit  
1082 owner to vote in any election or to examine the books and  
1083 records of the association.

1084       (e) A court may supersede the effect of this subsection by  
1085 appointing a receiver.

1086       Section 13. Subsections (2) and (19) of section 718.117,



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1087 Florida Statutes, are amended to read:

1088 718.117 Termination of condominium.—

1089 (2) TERMINATION BECAUSE OF ECONOMIC WASTE OR  
1090 IMPOSSIBILITY.—

1091 (a) Notwithstanding any provision ~~to the contrary~~ in the  
1092 declaration, the condominium form of ownership of a property may  
1093 be terminated by a plan of termination approved by the lesser of  
1094 the lowest percentage of voting interests necessary to amend the  
1095 declaration or as otherwise provided in the declaration for  
1096 approval of termination if when:

1097 1. The total estimated cost of construction or repairs  
1098 necessary to construct the intended improvements or restore the  
1099 improvements to their former condition or bring them into  
1100 compliance with applicable laws or regulations exceeds the  
1101 combined fair market value of the all units in the condominium  
1102 after completion of the construction or repairs; or

1103 2. It becomes impossible to operate or reconstruct a  
1104 condominium to ~~in~~ its prior physical configuration because of  
1105 land use laws or regulations.

1106 (b) Notwithstanding paragraph (a), a condominium in which  
1107 75 percent or more of the units are timeshare units may be  
1108 terminated only pursuant to a plan of termination approved by 80  
1109 percent of the total voting interests of the association and the  
1110 holders of 80 percent of the original principal amount of  
1111 outstanding recorded mortgage liens of timeshare estates in the  
1112 condominium, unless the declaration provides for a lower voting  
1113 percentage.

1114 (19) CREATION OF ANOTHER CONDOMINIUM.—The termination of a  
1115 condominium does not bar the filing of a declaration of



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1116 condominium or an amended and restated declaration of  
1117 condominium creation by the termination trustee ~~of another~~  
1118 ~~condominium~~ affecting any portion of the same property.

1119 Section 14. Subsection (11) is added to section 718.202,  
1120 Florida Statutes, to read:

1121 718.202 Sales or reservation deposits prior to closing.—

1122 (11) All funds deposited into escrow pursuant to subsection  
1123 (1) or subsection (2) may be held in one or more escrow accounts  
1124 by the escrow agent. If only one escrow account is used, the  
1125 escrow agent must maintain separate accounting records for each  
1126 purchaser and for amounts separately covered under subsections  
1127 (1) and (2) and, if applicable, released to the developer  
1128 pursuant to subsection (3). Separate accounting by the escrow  
1129 agent of the escrow funds constitutes compliance with this  
1130 section even if the funds are held by the escrow agent in a  
1131 single escrow account. It is the intent of this subsection to  
1132 clarify existing law.

1133 Section 15. Subsection (1) of section 718.301, Florida  
1134 Statutes, is amended to read:

1135 718.301 Transfer of association control; claims of defect  
1136 by association.—

1137 (1) ~~If when~~ unit owners other than the developer own 15  
1138 percent or more of the units in a condominium that will be  
1139 operated ultimately by an association, the unit owners other  
1140 than the developer are shall be entitled to elect at least no  
1141 ~~less than~~ one-third of the members of the board of  
1142 administration of the association. Unit owners other than the  
1143 developer are entitled to elect at least not less than a  
1144 majority of the members of the board of administration of an





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1145 association:

1146 (a) Three years after 50 percent of the units that will be  
1147 operated ultimately by the association have been conveyed to  
1148 purchasers;

1149 (b) Three months after 90 percent of the units that will be  
1150 operated ultimately by the association have been conveyed to  
1151 purchasers;

1152 (c) When all the units that will be operated ultimately by  
1153 the association have been completed, some of them have been  
1154 conveyed to purchasers, and none of the others are being offered  
1155 for sale by the developer in the ordinary course of business;

1156 (d) When some of the units have been conveyed to purchasers  
1157 and none of the others are being constructed or offered for sale  
1158 by the developer in the ordinary course of business;

1159 (e) When the developer files a petition seeking protection  
1160 in bankruptcy;

1161 (f) When a receiver for the developer is appointed by a  
1162 circuit court and is not discharged within 30 days after such  
1163 appointment, unless the court determines within 30 days after  
1164 appointment of the receiver that transfer of control would be  
1165 detrimental to the association or its members; or

1166 (g) Seven years after recordation of the declaration of  
1167 condominium; or, in the case of an association that ~~which~~ may  
1168 ultimately operate more than one condominium, 7 years after  
1169 recordation of the declaration for the first condominium it  
1170 operates; or, in the case of an association operating a phase  
1171 condominium created pursuant to s. 718.403, 7 years after  
1172 recordation of the declaration creating the initial phase,  
1173 whichever occurs first. The developer is entitled to elect at



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1174 least one member of the board of administration of an  
1175 association as long as the developer holds for sale in the  
1176 ordinary course of business at least 5 percent, in condominiums  
1177 with fewer than 500 units, and 2 percent, in condominiums with  
1178 more than 500 units, of the units in a condominium operated by  
1179 the association. After ~~Following the time~~ the developer  
1180 relinquishes control of the association, the developer may  
1181 exercise the right to vote any developer-owned units in the same  
1182 manner as any other unit owner except for purposes of  
1183 reacquiring control of the association or selecting the majority  
1184 members of the board of administration.

1185 Section 16. Section 718.303, Florida Statutes, is amended  
1186 to read:

1187 718.303 Obligations of owners and occupants; remedies  
1188 ~~waiver; levy of fine against unit by association.~~

1189 (1) Each unit owner, each tenant and other invitee, and  
1190 each association is ~~shall be~~ governed by, and must ~~shall~~ comply  
1191 with the provisions of, this chapter, the declaration, the  
1192 documents creating the association, and the association bylaws  
1193 which ~~and the provisions thereof~~ shall be deemed expressly  
1194 incorporated into any lease of a unit. Actions for damages or  
1195 for injunctive relief, or both, for failure to comply with these  
1196 provisions may be brought by the association or by a unit owner  
1197 against:

1198 (a) The association.

1199 (b) A unit owner.

1200 (c) Directors designated by the developer, for actions  
1201 taken by them before ~~prior to the time~~ control of the  
1202 association is assumed by unit owners other than the developer.



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1203 (d) Any director who willfully and knowingly fails to  
1204 comply with these provisions.

1205 (e) Any tenant leasing a unit, and any other invitee  
1206 occupying a unit.

1207

1208 The prevailing party in any such action or in any action in  
1209 which the purchaser claims a right of voidability based upon  
1210 contractual provisions as required in s. 718.503(1)(a) is  
1211 entitled to recover reasonable attorney's fees. A unit owner  
1212 prevailing in an action between the association and the unit  
1213 owner under this section, in addition to recovering his or her  
1214 reasonable attorney's fees, may recover additional amounts as  
1215 determined by the court to be necessary to reimburse the unit  
1216 owner for his or her share of assessments levied by the  
1217 association to fund its expenses of the litigation. This relief  
1218 does not exclude other remedies provided by law. Actions arising  
1219 under this subsection may ~~shall~~ not be deemed to be actions for  
1220 specific performance.

1221 (2) A provision of this chapter may not be waived if the  
1222 waiver would adversely affect the rights of a unit owner or the  
1223 purpose of the provision, except that unit owners or members of  
1224 a board of administration may waive notice of specific meetings  
1225 in writing if provided by the bylaws. Any instruction given in  
1226 writing by a unit owner or purchaser to an escrow agent may be  
1227 relied upon by an escrow agent, whether or not such instruction  
1228 and the payment of funds thereunder might constitute a waiver of  
1229 any provision of this chapter.

1230 (3) If a unit owner is delinquent for more than 90 days in  
1231 paying a monetary obligation due to the association ~~the~~



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1232 ~~declaration or bylaws so provide,~~ the association may suspend  
1233 the right of a unit owner or a unit's occupant, licensee, or  
1234 invitee to use common elements, common facilities, or any other  
1235 association property until the monetary obligation is paid. This  
1236 subsection does not apply to limited common elements intended to  
1237 be used only by that unit, common elements that must be used to  
1238 access the unit, utility services provided to the unit, parking  
1239 spaces, or elevators. The association may also levy reasonable  
1240 fines ~~against a unit~~ for the failure of the owner of the unit,  
1241 or its occupant, licensee, or invitee, to comply with any  
1242 provision of the declaration, the association bylaws, or  
1243 reasonable rules of the association. A ~~No~~ fine does not will  
1244 become a lien against a unit. A ~~No~~ fine may not exceed \$100 per  
1245 violation. However, a fine may be levied on the basis of each  
1246 day of a continuing violation, with a single notice and  
1247 opportunity for hearing. However, the ~~provided that no such fine~~  
1248 may not shall in the aggregate exceed \$1,000. A ~~No~~ fine may not  
1249 be levied and a suspension may not be imposed unless the  
1250 association first provides at least 14 days' written ~~except~~  
1251 ~~after giving reasonable notice and an~~ opportunity for a hearing  
1252 to the unit owner and, if applicable, its occupant, licensee, or  
1253 invitee. The hearing must be held before a committee of other  
1254 unit owners who are neither board members nor persons residing  
1255 in a board member's household. If the committee does not agree  
1256 with the fine or suspension, the fine or suspension may not be  
1257 levied or imposed. ~~The provisions of this subsection do not~~  
1258 ~~apply to unoccupied units.~~

1259 (4) The notice and hearing requirements of subsection (3)  
1260 do not apply to the imposition of suspensions or fines against a



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1261 unit owner or a unit's occupant, licensee, or invitee because of  
1262 failing to pay any amounts due the association. If such a fine  
1263 or suspension is imposed, the association must levy the fine or  
1264 impose a reasonable suspension at a properly noticed board  
1265 meeting, and after the imposition of such fine or suspension,  
1266 the association must notify the unit owner and, if applicable,  
1267 the unit's occupant, licensee, or invitee by mail or hand  
1268 delivery.

1269 (5) An association may also suspend the voting rights of a  
1270 member due to nonpayment of any monetary obligation due to the  
1271 association which is more than 90 days delinquent. The  
1272 suspension ends upon full payment of all obligations currently  
1273 due or overdue the association.

1274 Section 17. Subsection (1) of section 718.501, Florida  
1275 Statutes, is amended to read:

1276 718.501 Authority, responsibility, and duties of Division  
1277 of Florida Condominiums, Timeshares, and Mobile Homes.—

1278 (1) The division ~~may of Florida Condominiums, Timeshares,~~  
1279 ~~and Mobile Homes of the Department of Business and Professional~~  
1280 ~~Regulation, referred to as the "division" in this part, has the~~  
1281 ~~power to~~ enforce and ensure compliance with the provisions of  
1282 this chapter and rules relating to the development,  
1283 construction, sale, lease, ownership, operation, and management  
1284 of residential condominium units. In performing its duties, the  
1285 division has complete jurisdiction to investigate complaints and  
1286 enforce compliance ~~with the provisions of this chapter~~ with  
1287 respect to associations that are still under developer control  
1288 or the control of a bulk assignee or bulk buyer pursuant to part  
1289 VII of this chapter and complaints against developers, bulk



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1290 assignees, or bulk buyers involving improper turnover or failure  
1291 to turnover, pursuant to s. 718.301. However, after turnover has  
1292 occurred, the division has ~~shall only have~~ jurisdiction to  
1293 investigate complaints related only to financial issues,  
1294 elections, and unit owner access to association records pursuant  
1295 to s. 718.111(12).

1296 (a)1. The division may make necessary public or private  
1297 investigations within or outside this state to determine whether  
1298 any person has violated this chapter or any rule or order  
1299 hereunder, to aid in the enforcement of this chapter, or to aid  
1300 in the adoption of rules or forms ~~hereunder~~.

1301 2. The division may submit any official written report,  
1302 worksheet, or other related paper, or a duly certified copy  
1303 thereof, compiled, prepared, drafted, or otherwise made by and  
1304 duly authenticated by a financial examiner or analyst to be  
1305 admitted as competent evidence in any hearing in which the  
1306 financial examiner or analyst is available for cross-examination  
1307 and attests under oath that such documents were prepared as a  
1308 result of an examination or inspection conducted pursuant to  
1309 this chapter.

1310 (b) The division may require or permit any person to file a  
1311 statement in writing, under oath or otherwise, as the division  
1312 determines, as to the facts and circumstances concerning a  
1313 matter to be investigated.

1314 (c) For the purpose of any investigation under this  
1315 chapter, the division director or any officer or employee  
1316 designated by the division director may administer oaths or  
1317 affirmations, subpoena witnesses and compel their attendance,  
1318 take evidence, and require the production of any matter which is



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1319 relevant to the investigation, including the existence,  
1320 description, nature, custody, condition, and location of any  
1321 books, documents, or other tangible things and the identity and  
1322 location of persons having knowledge of relevant facts or any  
1323 other matter reasonably calculated to lead to the discovery of  
1324 material evidence. Upon the failure by a person to obey a  
1325 subpoena or to answer questions propounded by the investigating  
1326 officer and upon reasonable notice to all ~~persons~~ affected  
1327 persons ~~thereby~~, the division may apply to the circuit court for  
1328 an order compelling compliance.

1329 (d) Notwithstanding any remedies available to unit owners  
1330 and associations, if the division has reasonable cause to  
1331 believe that a violation of any provision of this chapter or  
1332 related rule has occurred, the division may institute  
1333 enforcement proceedings in its own name against any developer,  
1334 bulk assignee, bulk buyer, association, officer, or member of  
1335 the board of administration, or its assignees or agents, as  
1336 follows:

1337 1. The division may permit a person whose conduct or  
1338 actions may be under investigation to waive formal proceedings  
1339 and enter into a consent proceeding whereby orders, rules, or  
1340 letters of censure or warning, whether formal or informal, may  
1341 be entered against the person.

1342 2. The division may issue an order requiring the developer,  
1343 bulk assignee, bulk buyer, association, developer-designated  
1344 officer, or developer-designated member of the board of  
1345 administration, developer-designated assignees or agents, bulk  
1346 assignee-designated assignees or agents, bulk buyer-designated  
1347 assignees or agents, community association manager, or community



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1348 association management firm to cease and desist from the  
1349 unlawful practice and take such affirmative action as in the  
1350 judgment of the division ~~will~~ carry out the purposes of this  
1351 chapter. If the division finds that a developer, bulk assignee,  
1352 bulk buyer, association, officer, or member of the board of  
1353 administration, or its assignees or agents, is violating or is  
1354 about to violate any provision of this chapter, any rule adopted  
1355 or order issued by the division, or any written agreement  
1356 entered into with the division, and presents an immediate danger  
1357 to the public requiring an immediate final order, it may issue  
1358 an emergency cease and desist order reciting with particularity  
1359 the facts underlying such findings. The emergency cease and  
1360 desist order is effective for 90 days. If the division begins  
1361 nonemergency cease and desist proceedings, the emergency cease  
1362 and desist order remains effective until the conclusion of the  
1363 proceedings under ss. 120.569 and 120.57.

1364 3. If a developer, bulk assignee, or bulk buyer, fails to  
1365 pay any restitution determined by the division to be owed, plus  
1366 any accrued interest at the highest rate permitted by law,  
1367 within 30 days after expiration of any appellate time period of  
1368 a final order requiring payment of restitution or the conclusion  
1369 of any appeal thereof, whichever is later, the division must  
1370 ~~shall~~ bring an action in circuit or county court on behalf of  
1371 any association, class of unit owners, lessees, or purchasers  
1372 for restitution, declaratory relief, injunctive relief, or any  
1373 other available remedy. The division may also temporarily revoke  
1374 its acceptance of the filing for the developer to which the  
1375 restitution relates until payment of restitution is made.

1376 4. The division may petition the court for ~~the~~ appointment





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1377 of a receiver or conservator. If appointed, the receiver or  
1378 conservator may take action to implement the court order to  
1379 ensure the performance of the order and to remedy any breach  
1380 thereof. In addition to all other means provided by law for the  
1381 enforcement of an injunction or temporary restraining order, the  
1382 circuit court may impound or sequester the property of a party  
1383 defendant, including books, papers, documents, and related  
1384 records, and allow the examination and use of the property by  
1385 the division and a court-appointed receiver or conservator.

1386 5. The division may apply to the circuit court for an order  
1387 of restitution whereby the defendant in an action brought  
1388 pursuant to subparagraph 4. is ~~shall be~~ ordered to make  
1389 restitution of those sums shown by the division to have been  
1390 obtained by the defendant in violation of this chapter. ~~Such~~  
1391 ~~restitution shall,~~ At the option of the court, such restitution  
1392 is ~~be~~ payable to the conservator or receiver appointed pursuant  
1393 to subparagraph 4. or directly to the persons whose funds or  
1394 assets were obtained in violation of this chapter.

1395 6. The division may impose a civil penalty against a  
1396 developer, bulk assignee, or bulk buyer, or association, or its  
1397 assignee or agent, for any violation of this chapter or related  
1398 ~~a rule adopted under this chapter.~~ The division may impose a  
1399 civil penalty individually against an ~~any~~ officer or board  
1400 member who willfully and knowingly violates a provision of this  
1401 chapter, adopted rule, or a final order of the division; may  
1402 order the removal of such individual as an officer or from the  
1403 board of administration or as an officer of the association; and  
1404 may prohibit such individual from serving as an officer or on  
1405 the board of a community association for a period of time. The



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1406 term "willfully and knowingly" means that the division informed  
1407 the officer or board member that his or her action or intended  
1408 action violates this chapter, a rule adopted under this chapter,  
1409 or a final order of the division and that the officer or board  
1410 member refused to comply with the requirements of this chapter,  
1411 a rule adopted under this chapter, or a final order of the  
1412 division. The division, before ~~prior to~~ initiating formal agency  
1413 action under chapter 120, must ~~shall~~ afford the officer or board  
1414 member an opportunity to voluntarily comply and ~~with this~~  
1415 ~~chapter, a rule adopted under this chapter, or a final order of~~  
1416 ~~the division.~~ an officer or board member who complies within 10  
1417 days is not subject to a civil penalty. A penalty may be imposed  
1418 on the basis of each day of continuing violation, but ~~in no~~  
1419 ~~event shall~~ the penalty for any offense may not exceed \$5,000.  
1420 By January 1, 1998, the division shall adopt, by rule, penalty  
1421 guidelines applicable to possible violations or to categories of  
1422 violations of this chapter or rules adopted by the division. The  
1423 guidelines must specify a meaningful range of civil penalties  
1424 for each such violation of the statute and rules and must be  
1425 based upon the harm caused by the violation, the repetition of  
1426 the violation, and upon such other factors deemed relevant by  
1427 the division. For example, the division may consider whether the  
1428 violations were committed by a developer, bulk assignee, or bulk  
1429 buyer, or owner-controlled association, the size of the  
1430 association, and other factors. The guidelines must designate  
1431 the possible mitigating or aggravating circumstances that  
1432 justify a departure from the range of penalties provided by the  
1433 rules. It is the legislative intent that minor violations be  
1434 distinguished from those which endanger the health, safety, or



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1435 welfare of the condominium residents or other persons and that  
1436 such guidelines provide reasonable and meaningful notice to the  
1437 public of likely penalties that may be imposed for proscribed  
1438 conduct. This subsection does not limit the ability of the  
1439 division to informally dispose of administrative actions or  
1440 complaints by stipulation, agreed settlement, or consent order.  
1441 All amounts collected shall be deposited with the Chief  
1442 Financial Officer to the credit of the Division of Florida  
1443 Condominiums, Timeshares, and Mobile Homes Trust Fund. If a  
1444 developer, bulk assignee, or bulk buyer fails to pay the civil  
1445 penalty and the amount deemed to be owed to the association, the  
1446 division shall issue an order directing that such developer,  
1447 bulk assignee, or bulk buyer cease and desist from further  
1448 operation until such time as the civil penalty is paid or may  
1449 pursue enforcement of the penalty in a court of competent  
1450 jurisdiction. If an association fails to pay the civil penalty,  
1451 the division shall pursue enforcement in a court of competent  
1452 jurisdiction, and the order imposing the civil penalty or the  
1453 cease and desist order is ~~will~~ not ~~become~~ effective until 20  
1454 days after the date of such order. Any action commenced by the  
1455 division shall be brought in the county in which the division  
1456 has its executive offices or in the county where the violation  
1457 occurred.

1458         7. If a unit owner presents the division with proof that  
1459 the unit owner has requested access to official records in  
1460 writing by certified mail, and that after 10 days the unit owner  
1461 again made the same request for access to official records in  
1462 writing by certified mail, and that more than 10 days has  
1463 elapsed since the second request and the association has still



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1464 failed or refused to provide access to official records as  
1465 required by this chapter, the division shall issue a subpoena  
1466 requiring production of the requested records where the records  
1467 are kept pursuant to s. 718.112.

1468 8. In addition to subparagraph 6., the division may seek  
1469 the imposition of a civil penalty through the circuit court for  
1470 any violation for which the division may issue a notice to show  
1471 cause under paragraph (r). The civil penalty shall be at least  
1472 \$500 but no more than \$5,000 for each violation. The court may  
1473 also award to the prevailing party court costs and reasonable  
1474 attorney's fees and, if the division prevails, may also award  
1475 reasonable costs of investigation.

1476 (e) The division may prepare and disseminate a prospectus  
1477 and other information to assist prospective owners, purchasers,  
1478 lessees, and developers of residential condominiums in assessing  
1479 the rights, privileges, and duties pertaining thereto.

1480 (f) The division may ~~has authority to~~ adopt rules pursuant  
1481 ~~to ss. 120.536(1) and 120.54~~ to administer ~~implement~~ and enforce  
1482 the provisions of this chapter.

1483 (g) The division shall establish procedures for providing  
1484 notice to an association and the developer, bulk assignee, or  
1485 bulk buyer during the period in which ~~where~~ the developer, bulk  
1486 assignee, or bulk buyer controls the association if ~~when~~ the  
1487 division is considering the issuance of a declaratory statement  
1488 with respect to the declaration of condominium or any related  
1489 document governing ~~in~~ such condominium community.

1490 (h) The division shall furnish each association that ~~which~~  
1491 pays the fees required by paragraph (2) (a) a copy of this  
1492 chapter, as amended ~~act, subsequent changes to this act on an~~



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1493 ~~annual basis, an amended version of this act as it becomes~~  
1494 ~~available from the Secretary of State's office on a biennial~~  
1495 ~~basis, and the rules adopted thereto on an annual basis.~~

1496 (i) The division shall annually provide each association  
1497 with a summary of declaratory statements and formal legal  
1498 opinions relating to the operations of condominiums which were  
1499 rendered by the division during the previous year.

1500 (j) The division shall provide training and educational  
1501 programs for condominium association board members and unit  
1502 owners. The training may, in the division's discretion, include  
1503 web-based electronic media, and live training and seminars in  
1504 various locations throughout the state. The division may ~~shall~~  
1505 ~~have the authority to~~ review and approve education and training  
1506 programs for board members and unit owners offered by providers  
1507 and shall maintain a current list of approved programs and  
1508 providers and ~~shall~~ make such list available to board members  
1509 and unit owners in a reasonable and cost-effective manner.

1510 (k) The division shall maintain a toll-free telephone  
1511 number accessible to condominium unit owners.

1512 (l) The division shall develop a program to certify both  
1513 volunteer and paid mediators to provide mediation of condominium  
1514 disputes. The division shall provide, upon request, a list of  
1515 such mediators to any association, unit owner, or other  
1516 participant in arbitration proceedings under s. 718.1255  
1517 requesting a copy of the list. The division shall include on the  
1518 list of volunteer mediators only the names of persons who have  
1519 received at least 20 hours of training in mediation techniques  
1520 or who have mediated at least 20 disputes. In order to become  
1521 initially certified by the division, paid mediators must be



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1522 certified by the Supreme Court to mediate court cases in county  
1523 or circuit courts. However, the division may adopt, by rule,  
1524 additional factors for the certification of paid mediators,  
1525 which ~~factors~~ must be related to experience, education, or  
1526 background. Any person initially certified as a paid mediator by  
1527 the division must, in order to continue to be certified, comply  
1528 with the factors or requirements adopted by rule ~~imposed by~~  
1529 ~~rules adopted by the division.~~

1530 (m) If ~~When~~ a complaint is made, the division must ~~shall~~  
1531 conduct its inquiry with due regard for ~~to~~ the interests of the  
1532 affected parties. Within 30 days after receipt of a complaint,  
1533 the division shall acknowledge the complaint in writing and  
1534 notify the complainant whether the complaint is within the  
1535 jurisdiction of the division and whether additional information  
1536 is needed by the division from the complainant. The division  
1537 shall conduct its investigation and ~~shall~~, within 90 days after  
1538 receipt of the original complaint or of timely requested  
1539 additional information, take action upon the complaint. However,  
1540 the failure to complete the investigation within 90 days does  
1541 not prevent the division from continuing the investigation,  
1542 accepting or considering evidence obtained or received after 90  
1543 days, or taking administrative action if reasonable cause exists  
1544 to believe that a violation of this chapter or a rule ~~of the~~  
1545 ~~division~~ has occurred. If an investigation is not completed  
1546 within the time limits established in this paragraph, the  
1547 division shall, on a monthly basis, notify the complainant in  
1548 writing of the status of the investigation. When reporting its  
1549 action to the complainant, the division shall inform the  
1550 complainant of any right to a hearing pursuant to ss. 120.569



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1551 and 120.57.

1552 (n) Condominium association directors, officers, and  
1553 employees; condominium developers; bulk assignees, bulk buyers,  
1554 and community association managers; and community association  
1555 management firms have an ongoing duty to reasonably cooperate  
1556 with the division in any investigation pursuant to this section.  
1557 The division shall refer to local law enforcement authorities  
1558 any person whom the division believes has altered, destroyed,  
1559 concealed, or removed any record, document, or thing required to  
1560 be kept or maintained by this chapter with the purpose to impair  
1561 its verity or availability in the department's investigation.

1562 (o) The division may:

- 1563 1. Contract with agencies in this state or other  
1564 jurisdictions to perform investigative functions; or  
1565 2. Accept grants-in-aid from any source.

1566 (p) The division shall cooperate with similar agencies in  
1567 other jurisdictions to establish uniform filing procedures and  
1568 forms, public offering statements, advertising standards, and  
1569 rules and common administrative practices.

1570 (q) The division shall consider notice to a developer, bulk  
1571 assignee, or bulk buyer to be complete when it is delivered to  
1572 the ~~developer's~~ address of the developer, bulk assignee, or bulk  
1573 buyer currently on file with the division.

1574 (r) In addition to its enforcement authority, the division  
1575 may issue a notice to show cause, which must ~~shall~~ provide for a  
1576 hearing, upon written request, in accordance with chapter 120.

1577 (s) The division shall submit to the Governor, the  
1578 President of the Senate, the Speaker of the House of  
1579 Representatives, and the chairs of the legislative



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1580 appropriations committees an annual report that includes, but  
1581 need not be limited to, the number of training programs provided  
1582 for condominium association board members and unit owners, the  
1583 number of complaints received by type, the number and percent of  
1584 complaints acknowledged in writing within 30 days and the number  
1585 and percent of investigations acted upon within 90 days in  
1586 accordance with paragraph (m), and the number of investigations  
1587 exceeding the 90-day requirement. The annual report must ~~shall~~  
1588 also include an evaluation of the division's core business  
1589 processes and make recommendations for improvements, including  
1590 statutory changes. The report shall be submitted by September 30  
1591 following the end of the fiscal year.

1592 Section 18. Part VII of chapter 718, Florida Statutes,  
1593 consisting of sections 718.701, 718.702, 718.703, 718.704,  
1594 718.705, 718.706, 718.707, and 718.708, is created to read:

1595 718.701 Short title.—This part may be cited as the  
1596 "Distressed Condominium Relief Act."

1597 718.702 Legislative intent.—

1598 (1) The Legislature acknowledges the massive downturn in  
1599 the condominium market which has occurred throughout the state  
1600 and the impact of such downturn on developers, lenders, unit  
1601 owners, and condominium associations. Numerous condominium  
1602 projects have failed or are in the process of failing such that  
1603 the condominium has a small percentage of third-party unit  
1604 owners as compared to the unsold inventory of units. As a result  
1605 of the inability to find purchasers for this inventory of units,  
1606 which results in part from the devaluing of real estate in this  
1607 state, developers are unable to satisfy the requirements of  
1608 their lenders, leading to defaults on mortgages. Consequently,





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1609 lenders are faced with the task of finding a solution to the  
1610 problem in order to receive payment for their investments.

1611 (2) The Legislature recognizes that all of the factors  
1612 listed in this section lead to condominiums becoming distressed,  
1613 resulting in detriment to the unit owners and the condominium  
1614 association due to the resulting shortage of assessment moneys  
1615 available for proper maintenance of the condominium. Such  
1616 shortage and the resulting lack of proper maintenance further  
1617 erodes property values. The Legislature finds that individuals  
1618 and entities within this state and in other states have  
1619 expressed interest in purchasing unsold inventory in one or more  
1620 condominium projects, but are reticent to do so because of  
1621 accompanying liabilities inherited from the original developer,  
1622 which are by definition imputed to the successor purchaser,  
1623 including a foreclosing mortgagee. This results in the potential  
1624 successor purchaser having unknown and unquantifiable risks that  
1625 the potential purchaser is unwilling to accept. As a result,  
1626 condominium projects stagnate, leaving all parties involved at  
1627 an impasse and without the ability to find a solution.

1628 (3) The Legislature declares that it is the public policy  
1629 of this state to protect the interests of developers, lenders,  
1630 unit owners, and condominium associations with regard to  
1631 distressed condominiums, and that there is a need for relief  
1632 from certain provisions of the Florida Condominium Act geared  
1633 toward enabling economic opportunities for successor purchasers,  
1634 including foreclosing mortgagees. Such relief would benefit  
1635 existing unit owners and condominium associations. The  
1636 Legislature further finds and declares that this situation  
1637 cannot be open-ended without potentially prejudicing the rights



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1638 of unit owners and condominium associations, and thereby  
1639 declares that the provisions of this part may be used by  
1640 purchasers of condominium inventory for only a specific and  
1641 defined period.

1642 718.703 Definitions.—As used in this part, the term:

1643 (1) "Bulk assignee" means a person who:

1644 (a) Acquires more than seven condominium parcels as set  
1645 forth in s. 718.707; and

1646 (b) Receives an assignment of some or all of the rights of  
1647 the developer as set forth in the declaration of condominium or  
1648 this chapter by a written instrument recorded as an exhibit to  
1649 the deed or as a separate instrument in the public records of  
1650 the county in which the condominium is located.

1651 (2) "Bulk buyer" means a person who acquires more than  
1652 seven condominium parcels as set forth in s. 718.707, but who  
1653 does not receive an assignment of developer rights other than  
1654 the right to conduct sales, leasing, and marketing activities  
1655 within the condominium; the right to be exempt from the payment  
1656 of working capital contributions to the condominium association  
1657 arising out of, or in connection with, the bulk buyer's  
1658 acquisition of a bulk number of units; and the right to be  
1659 exempt from any rights of first refusal which may be held by the  
1660 condominium association and would otherwise be applicable to  
1661 subsequent transfers of title from the bulk buyer to a third  
1662 party purchaser concerning one or more units.

1663 718.704 Assignment and assumption of developer rights by  
1664 bulk assignee; bulk buyer.—

1665 (1) A bulk assignee assumes and is liable for all duties  
1666 and responsibilities of the developer under the declaration and



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1667 this chapter, except:

1668 (a) Warranties of the developer under s. 718.203(1) or s.  
1669 718.618, except for design, construction, development, or repair  
1670 work performed by or on behalf of such bulk assignee;

1671 (b) The obligation to:

1672 1. Fund converter reserves under s. 718.618 for a unit that  
1673 was not acquired by the bulk assignee; or

1674 2. Provide converter warranties on any portion of the  
1675 condominium property except as expressly provided by the bulk  
1676 assignee in the contract for purchase and sale executed with a  
1677 purchaser and pertaining to any design, construction,  
1678 development, or repair work performed by or on behalf of the  
1679 bulk assignee;

1680 (c) The requirement to provide the association with a  
1681 cumulative audit of the association's finances from the date of  
1682 formation of the condominium association as required by s.  
1683 718.301(4)(c). However, the bulk assignee must provide an audit  
1684 for the period during which the bulk assignee elects a majority  
1685 of the members of the board of administration;

1686 (d) Any liability arising out of or in connection with  
1687 actions taken by the board of administration or the developer-  
1688 appointed directors before the bulk assignee elects a majority  
1689 of the members of the board of administration; and

1690 (e) Any liability for or arising out of the developer's  
1691 failure to fund previous assessments or to resolve budgetary  
1692 deficits in relation to a developer's right to guarantee  
1693 assessments, except as otherwise provided in subsection (2).

1694  
1695 The bulk assignee is also responsible for delivering documents



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1696 and materials in accordance with s. 718.705(3). A bulk assignee  
1697 may expressly assume some or all of the obligations of the  
1698 developer described in paragraphs (a)-(e).

1699 (2) A bulk assignee receiving the assignment of the rights  
1700 of the developer to guarantee the level of assessments and fund  
1701 budgetary deficits pursuant to s. 718.116 assumes and is liable  
1702 for all obligations of the developer with respect to such  
1703 guarantee, including any applicable funding of reserves to the  
1704 extent required by law, for as long as the guarantee remains in  
1705 effect. A bulk assignee not receiving such assignment or a bulk  
1706 buyer does not assume and is not liable for the obligations of  
1707 the developer with respect to such guarantee, but is responsible  
1708 for payment of assessments in the same manner as all other  
1709 owners of condominium parcels.

1710 (3) A bulk buyer is liable for the duties and  
1711 responsibilities of the developer under the declaration and this  
1712 chapter only to the extent provided in this part, together with  
1713 any other duties or responsibilities of the developer expressly  
1714 assumed in writing by the bulk buyer.

1715 (4) An acquirer of condominium parcels is not a bulk  
1716 assignee or a bulk buyer if the transfer to such acquirer was  
1717 made before the effective date of this part with the intent to  
1718 hinder, delay, or defraud any purchaser, unit owner, or the  
1719 association, or if the acquirer is a person who would be  
1720 considered an insider under s. 726.102(7).

1721 (5) An assignment of developer rights to a bulk assignee  
1722 may be made by the developer, a previous bulk assignee, or a  
1723 court acting on behalf of the developer or the previous bulk  
1724 assignee. At any particular time, there may be no more than one



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1725 bulk assignee within a condominium, but there may be more than  
1726 one bulk buyer. If more than one acquirer of condominium parcels  
1727 in the same condominium receives an assignment of developer  
1728 rights from the same person, the bulk assignee is the acquirer  
1729 whose instrument of assignment is recorded first.

1730 718.705 Board of administration; transfer of control.—

1731 (1) For purposes of determining the timing for transfer of  
1732 control of the board of administration of the association to  
1733 unit owners other than the developer under s. 718.301(1)(a) and  
1734 (b), if a bulk assignee is entitled to elect a majority of the  
1735 members of the board, a condominium parcel acquired by the bulk  
1736 assignee is conveyed to a purchaser, or owned by an owner other  
1737 than the developer, until the condominium parcel is conveyed to  
1738 an owner who is not a bulk assignee.

1739 (2) Unless control of the board of administration of the  
1740 association has already been relinquished pursuant to s.  
1741 718.301(1), the bulk assignee must relinquish control of the  
1742 association pursuant to s. 718.301 and this part, as if the bulk  
1743 assignee were the developer.

1744 (3) If a bulk assignee relinquishes control of the board of  
1745 administration as set forth in s. 718.301, the bulk assignee  
1746 must deliver all of those items required by s. 718.301(4).  
1747 However, the bulk assignee is not required to deliver items and  
1748 documents not in the possession of the bulk assignee during the  
1749 period during which the bulk assignee was entitled to elect at  
1750 least a majority of the members of the board of administration.  
1751 In conjunction with acquisition of condominium parcels, a bulk  
1752 assignee shall undertake a good faith effort to obtain the  
1753 documents and materials that must be provided to the association



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1754 pursuant to s. 718.301(4). If the bulk assignee is not able to  
1755 obtain all of such documents and materials, the bulk assignee  
1756 must certify in writing to the association the names or  
1757 descriptions of the documents and materials that were not  
1758 obtainable by the bulk assignee. Delivery of the certificate  
1759 relieves the bulk assignee of responsibility for delivering the  
1760 documents and materials referenced in the certificate as  
1761 otherwise required under ss. 718.112 and 718.301 and this part.  
1762 The responsibility of the bulk assignee for the audit required  
1763 by s. 718.301(4) commences as of the date on which the bulk  
1764 assignee elected a majority of the members of the board of  
1765 administration.

1766 (4) If a conflict arises between the provisions or  
1767 application of this section and s. 718.301, this section  
1768 prevails.

1769 (5) Failure of a bulk assignee or bulk buyer to  
1770 substantially comply with all the requirements in this part  
1771 results in the loss of any and all protections or exemptions  
1772 provided under this part.

1773 718.706 Specific provisions pertaining to offering of units  
1774 by a bulk assignee or bulk buyer.-

1775 (1) Before offering any units for sale or for lease for a  
1776 term exceeding 5 years, a bulk assignee or a bulk buyer must  
1777 file the following documents with the division and provide such  
1778 documents to a prospective purchaser or tenant:

1779 (a) An updated prospectus or offering circular, or a  
1780 supplement to the prospectus or offering circular, filed by the  
1781 original developer prepared in accordance with s. 718.504, which  
1782 must include the form of contract for sale and for lease in



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1783 compliance with s. 718.503(2);

1784 (b) An updated Frequently Asked Questions and Answers  
1785 sheet;

1786 (c) The executed escrow agreement if required under s.  
1787 718.202; and

1788 (d) The financial information required by s. 718.111(13).  
1789 However, if a financial information report does not exist for  
1790 the fiscal year before acquisition of title by the bulk assignee  
1791 or bulk buyer, or accounting records cannot be obtained in good  
1792 faith by the bulk assignee or the bulk buyer which would permit  
1793 preparation of the required financial information report, the  
1794 bulk assignee or bulk buyer is excused from the requirement of  
1795 this paragraph. However, the bulk assignee or bulk buyer must  
1796 include in the purchase contract the following statement in  
1797 conspicuous type:

1798  
1799 THE FINANCIAL INFORMATION REPORT REQUIRED UNDER S.  
1800 718.111(13) FOR THE IMMEDIATELY PRECEDING FISCAL YEAR  
1801 OF THE ASSOCIATION IS NOT AVAILABLE OR CANNOT BE  
1802 CREATED BY THE SELLER DUE TO THE INSUFFICIENT  
1803 ACCOUNTING RECORDS OF THE ASSOCIATION.

1804  
1805 (2) Before offering any units for sale or for lease for a  
1806 term exceeding 5 years, a bulk assignee must file with the  
1807 division and provide to a prospective purchaser a disclosure  
1808 statement that includes, but is not limited to:

1809 (a) A description of any rights of the developer which have  
1810 been assigned to the bulk assignee or bulk buyer;

1811 (b) The following statement in conspicuous type:



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THE SELLER IS NOT OBLIGATED FOR ANY WARRANTIES OF THE DEVELOPER UNDER S. 718.203(1) OR S. 718.618, AS APPLICABLE, EXCEPT FOR DESIGN, CONSTRUCTION, DEVELOPMENT, OR REPAIR WORK PERFORMED BY OR ON BEHALF OF SELLER; and  
(c) If the condominium is a conversion subject to part VI, the following statement in conspicuous type:

THE SELLER HAS NO OBLIGATION TO FUND CONVERTER RESERVES OR TO PROVIDE CONVERTER WARRANTIES UNDER S. 718.618 ON ANY PORTION OF THE CONDOMINIUM PROPERTY EXCEPT AS MAY BE EXPRESSLY REQUIRED OF THE SELLER IN THE CONTRACT FOR PURCHASE AND SALE EXECUTED BY THE SELLER AND THE PREVIOUS DEVELOPER AND PERTAINING TO ANY DESIGN, CONSTRUCTION, DEVELOPMENT, OR REPAIR WORK PERFORMED BY OR ON BEHALF OF THE SELLER.

(3) A bulk assignee, while it is in control of the board of administration of the association, may not authorize, on behalf of the association:

(a) The waiver of reserves or the reduction of funding of the reserves pursuant to s. 718.112(2)(f)2., unless approved by a majority of the voting interests not controlled by the developer, bulk assignee, and bulk buyer; or

(b) The use of reserve expenditures for other purposes pursuant to s. 718.112(2)(f)3., unless approved by a majority of the voting interests not controlled by the developer, bulk assignee, and bulk buyer.

(4) A bulk assignee or a bulk buyer must comply with all





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1841 the requirements of s. 718.302 regarding any contracts entered  
1842 into by the association during the period the bulk assignee or  
1843 bulk buyer maintains control of the board of administration.  
1844 Unit owners shall be afforded all the protections contained in  
1845 s. 718.302 regarding agreements entered into by the association  
1846 before unit owners other than the developer, bulk assignee, or  
1847 bulk buyer elected a majority of the board of administration.

1848 (5) A bulk buyer must comply with the requirements  
1849 contained in the declaration regarding any transfer of a unit,  
1850 including sales, leases, and subleases. A bulk buyer is not  
1851 entitled to any exemptions afforded a developer or successor  
1852 developer under this chapter regarding the transfer of a unit,  
1853 including sales, leases, or subleases.

1854 718.707 Time limitation for classification as bulk assignee  
1855 or bulk buyer.—A person acquiring condominium parcels may not be  
1856 classified as a bulk assignee or bulk buyer unless the  
1857 condominium parcels were acquired before July 1, 2012. The date  
1858 of such acquisition shall be determined by the date of recording  
1859 of a deed or other instrument of conveyance for such parcels in  
1860 the public records of the county in which the condominium is  
1861 located, or by the date of issuance of a certificate of title in  
1862 a foreclosure proceeding with respect to such condominium  
1863 parcels.

1864 718.708 Liability of developers and others.—An assignment  
1865 of developer rights to a bulk assignee or bulk buyer does not  
1866 release the original developer from liabilities under the  
1867 declaration or this chapter. This part does not limit the  
1868 liability of the original developer for claims brought by unit  
1869 owners, bulk assignees, or bulk buyers for violations of this



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1870 chapter by the creating developer, unless specifically excluded  
1871 in this part. This part does not waive, release, compromise, or  
1872 limit liability established under chapter 718 except as  
1873 specifically excluded under this part.

1874 Section 19. Paragraph (d) of subsection (1) of section  
1875 719.106, Florida Statutes, is amended to read:

1876 719.106 Bylaws; cooperative ownership.-

1877 (1) MANDATORY PROVISIONS.-The bylaws or other cooperative  
1878 documents shall provide for the following, and if they do not,  
1879 they shall be deemed to include the following:

1880 (d) *Shareholder meetings*.-There shall be an annual meeting  
1881 of the shareholders. All members of the board of administration  
1882 shall be elected at the annual meeting unless the bylaws provide  
1883 for staggered election terms or for their election at another  
1884 meeting. Any unit owner desiring to be a candidate for board  
1885 membership must ~~shall~~ comply with subparagraph 1. The bylaws  
1886 must ~~shall~~ provide the method for calling meetings, including  
1887 annual meetings. Written notice, which must ~~notice shall~~  
1888 incorporate an identification of agenda items, shall be given to  
1889 each unit owner at least 14 days before ~~prior to~~ the annual  
1890 meeting and ~~shall be~~ posted in a conspicuous place on the  
1891 cooperative property at least 14 continuous days preceding the  
1892 annual meeting. Upon notice to the unit owners, the board must  
1893 ~~shall~~ by duly adopted rule designate a specific location on the  
1894 cooperative property upon which all notice of unit owner  
1895 meetings are ~~shall be~~ posted. In lieu of or in addition to the  
1896 physical posting of the meeting notice ~~of any meeting of the~~  
1897 ~~shareholders on the cooperative property~~, the association may,  
1898 by reasonable rule, adopt a procedure for conspicuously posting



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1899 and repeatedly broadcasting the notice and the agenda on a  
1900 closed-circuit cable television system serving the cooperative  
1901 association. However, if broadcast notice is used in lieu of a  
1902 posted notice ~~posted physically on the cooperative property~~, the  
1903 notice and agenda must be broadcast at least four times every  
1904 broadcast hour of each day that a posted notice is otherwise  
1905 required under this section. If ~~When~~ broadcast notice is  
1906 provided, the notice and agenda must be broadcast in a manner  
1907 and for a sufficient continuous length of time ~~so as~~ to allow an  
1908 average reader to observe the notice and read and comprehend the  
1909 entire content of the notice and the agenda. Unless a unit owner  
1910 waives in writing the right to receive notice of the annual  
1911 meeting, the notice of the annual meeting must ~~shall~~ be sent by  
1912 mail, hand delivered, or electronically transmitted to each unit  
1913 owner. An officer of the association must ~~shall~~ provide an  
1914 affidavit or United States Postal Service certificate of  
1915 mailing, to be included in the official records of the  
1916 association, affirming that notices of the association meeting  
1917 were mailed, hand delivered, or electronically transmitted, in  
1918 accordance with this provision, to each unit owner at the  
1919 address last furnished to the association.

1920 1. ~~After January 1, 1992,~~ The board of administration shall  
1921 be elected by written ballot or voting machine. A proxy may not  
1922 ~~Proxies shall in no event~~ be used in electing the board of  
1923 administration, ~~either~~ in general elections or elections to fill  
1924 vacancies caused by recall, resignation, or otherwise unless  
1925 otherwise provided in this chapter. At least ~~Not less than~~ 60  
1926 days before a scheduled election, the association shall mail,  
1927 deliver, or transmit, whether by separate association mailing,



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1928 delivery, or electronic transmission or included in another  
1929 association mailing, delivery, or electronic transmission,  
1930 including regularly published newsletters, to each unit owner  
1931 entitled to vote, a first notice of the date of the election.  
1932 Any unit owner or other eligible person desiring to be a  
1933 candidate for the board of administration must ~~shall~~ give  
1934 written notice to the association at least ~~not less than~~ 40 days  
1935 before a scheduled election. Together with the written notice  
1936 and agenda as set forth in this section, the association shall  
1937 mail, deliver, or electronically transmit a second notice of  
1938 election to all unit owners entitled to vote ~~therein~~, together  
1939 with a ballot which lists ~~shall list~~ all candidates. Upon  
1940 request of a candidate, the association shall include an  
1941 information sheet, no larger than 8 1/2 inches by 11 inches,  
1942 which must be furnished by the candidate at least ~~not less than~~  
1943 35 days before ~~prior to~~ the election, to be included with the  
1944 mailing, delivery, or electronic transmission of the ballot,  
1945 with the costs of mailing, delivery, or transmission and copying  
1946 to be borne by the association. The association is not liable  
1947 ~~has no liability~~ for the contents of the information sheets  
1948 provided by the candidates. In order to reduce costs, the  
1949 association may print or duplicate the information sheets on  
1950 both sides of the paper. The division shall by rule establish  
1951 voting procedures consistent with this subparagraph ~~the~~  
1952 ~~provisions contained herein~~, including rules establishing  
1953 procedures for giving notice by electronic transmission and  
1954 rules providing for the secrecy of ballots. Elections shall be  
1955 decided by a plurality of those ballots cast. There is ~~shall be~~  
1956 no quorum requirement. However, at least 20 percent of the



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1957 eligible voters must cast a ballot in order to have a valid  
1958 election ~~of members of the board of administration~~. A ~~No~~ unit  
1959 owner may not ~~shall~~ permit any other person to vote his or her  
1960 ballot, and any such ballots improperly cast are ~~shall be deemed~~  
1961 invalid. A unit owner who needs assistance in casting the ballot  
1962 for the reasons stated in s. 101.051 may obtain assistance in  
1963 casting the ballot. Any unit owner violating this provision may  
1964 be fined by the association in accordance with s. 719.303. The  
1965 regular election must ~~shall~~ occur on the date of the annual  
1966 meeting. ~~The provisions of~~ This subparagraph does ~~shall~~ not  
1967 apply to timeshare cooperatives. Notwithstanding ~~the provisions~~  
1968 ~~of~~ this subparagraph, an election and balloting are not required  
1969 unless more candidates file a notice of intent to run or are  
1970 nominated than vacancies exist on the board.

1971 2. Any approval by unit owners called for by this chapter,  
1972 or the applicable cooperative documents, must ~~shall~~ be made at a  
1973 duly noticed meeting of unit owners and is ~~shall be~~ subject to  
1974 ~~all requirements of~~ this chapter or the applicable cooperative  
1975 documents relating to unit owner decisionmaking, except that  
1976 unit owners may take action by written agreement, without  
1977 meetings, on matters for which action by written agreement  
1978 without meetings is expressly allowed by the applicable  
1979 cooperative documents or law ~~any Florida statute~~ which provides  
1980 for the unit owner action.

1981 3. Unit owners may waive notice of specific meetings if  
1982 allowed by the applicable cooperative documents or law ~~any~~  
1983 ~~Florida statute~~. If authorized by the bylaws, notice of meetings  
1984 of the board of administration, shareholder meetings, except  
1985 shareholder meetings called to recall board members under



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1986 paragraph (f), and committee meetings may be given by electronic  
1987 transmission to unit owners who consent to receive notice by  
1988 electronic transmission.

1989 4. Unit owners ~~shall~~ have the right to participate in  
1990 meetings of unit owners with reference to all designated agenda  
1991 items. However, the association may adopt reasonable rules  
1992 governing the frequency, duration, and manner of unit owner  
1993 participation.

1994 5. Any unit owner may tape record or videotape meetings of  
1995 the unit owners subject to reasonable rules adopted by the  
1996 division.

1997 6. Unless otherwise provided in the bylaws, a vacancy  
1998 occurring on the board before the expiration of a term may be  
1999 filled by the affirmative vote of the majority of the remaining  
2000 directors, even if the remaining directors constitute less than  
2001 a quorum, or by the sole remaining director. In the alternative,  
2002 a board may hold an election to fill the vacancy, in which case  
2003 the election procedures must conform to the requirements of  
2004 subparagraph 1. unless the association has opted out of the  
2005 statutory election process, in which case the bylaws of the  
2006 association control. Unless otherwise provided in the bylaws, a  
2007 board member appointed or elected under this subparagraph shall  
2008 fill the vacancy for the unexpired term of the seat being  
2009 filled. Filling vacancies created by recall is governed by  
2010 paragraph (f) and rules adopted by the division.

2011  
2012 Notwithstanding subparagraphs (b)2. and (d)1., an association  
2013 may, by the affirmative vote of a majority of the total voting  
2014 interests, provide for a different voting and election procedure



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2015 in its bylaws, which vote may be by a proxy specifically  
2016 delineating the different voting and election procedures. The  
2017 different voting and election procedures may provide for  
2018 elections to be conducted by limited or general proxy.

2019 Section 20. Subsection (5) of section 719.1055, Florida  
2020 Statutes, is amended to read:

2021 719.1055 Amendment of cooperative documents; alteration and  
2022 acquisition of property.—

2023 (5) The bylaws must include a provision whereby a  
2024 certificate of compliance from a licensed electrical contractor  
2025 or electrician may be accepted by the association's board as  
2026 evidence of compliance of the cooperative units with the  
2027 applicable fire and life safety code. Notwithstanding ~~the~~  
2028 ~~provisions of~~ chapter 633 or of any other code, statute,  
2029 ordinance, administrative rule, or regulation, or any  
2030 interpretation of the foregoing, a cooperative or unit owner is  
2031 not obligated to retrofit the common elements, common areas,  
2032 association property, or units of a residential cooperative with  
2033 a fire sprinkler system or any other form of engineered  
2034 lifesafety ~~life safety~~ system in a building that has been  
2035 certified for occupancy by the applicable governmental entity,  
2036 if the unit owners have voted to forego such retrofitting and  
2037 engineered lifesafety ~~life safety~~ system by the affirmative vote  
2038 of two-thirds of all voting interests in the affected  
2039 cooperative. ~~However, a cooperative may not forego the~~  
2040 ~~retrofitting with a fire sprinkler system of common areas in a~~  
2041 ~~high-rise building. For purposes of this subsection, the term~~  
2042 ~~"high-rise building" means a building that is greater than 75~~  
2043 ~~feet in height where the building height is measured from the~~



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2044 ~~lowest level of fire department access to the floor of the~~  
2045 ~~highest occupiable story. For purposes of this subsection, the~~  
2046 ~~term "common areas" means any enclosed hallway, corridor, lobby,~~  
2047 ~~stairwell, or entryway. In no event shall~~ The local authority  
2048 having jurisdiction may not require completion of retrofitting  
2049 ~~of common areas~~ with a sprinkler system or other form of  
2050 engineered lifesafety system before the end of 2019 ~~2014~~.

2051 (a) A vote to forego retrofitting may be obtained by  
2052 limited proxy or by a ballot personally cast at a duly called  
2053 membership meeting, or by execution of a written consent by the  
2054 member, and is ~~shall be~~ effective upon ~~the~~ recording ~~of~~ a  
2055 certificate attesting to such vote in the public records of the  
2056 county where the cooperative is located. The association shall  
2057 mail or, hand deliver, ~~or electronically transmit~~ to each unit  
2058 owner written notice at least 14 days before ~~prior to~~ such  
2059 membership meeting in which the vote to forego retrofitting of  
2060 the required fire sprinkler system or any other form of  
2061 engineered lifesafety system is to take place. Within 30 days  
2062 after the association's opt-out vote, notice of the results of  
2063 the opt-out vote shall be mailed or, hand delivered, ~~or~~  
2064 ~~electronically transmitted~~ to all unit owners. Evidence of  
2065 compliance with this ~~30-day~~ notice must ~~shall~~ be made by an  
2066 affidavit executed by the person providing the notice and filed  
2067 among the official records of the association. After such notice  
2068 is provided to each owner, a copy of the ~~such~~ notice shall be  
2069 provided by the current owner to a new owner before ~~prior to~~  
2070 closing and ~~shall be provided~~ by a unit owner to a renter before  
2071 ~~prior to~~ signing a lease.

2072 (b) If there has been a previous vote to forego





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2073 retrofitting, a vote to require retrofitting may be obtained at  
2074 a special meeting of the unit owners called by a petition of  
2075 least 10 percent of the voting interests. Such vote may only be  
2076 called once every 3 years. Notice must be provided as required  
2077 for any regularly called meeting of the unit owners, and the  
2078 notice must state the purpose of the meeting. Electronic  
2079 transmission may not be used to provide notice of a meeting  
2080 called in whole or in part for this purpose.

2081 (c) ~~(b)~~ As part of the information collected annually from  
2082 cooperatives, the division shall require associations to report  
2083 the membership vote and recording of a certificate under this  
2084 subsection and, if retrofitting has been undertaken, the per-  
2085 unit cost of such work. The division shall annually report to  
2086 the Division of State Fire Marshal of the Department of  
2087 Financial Services the number of cooperatives that have elected  
2088 to forego retrofitting.

2089 Section 21. Subsections (3) and (4) of section 719.108,  
2090 Florida Statutes, are amended, and subsection (10) is added to  
2091 that section, to read:

2092 719.108 Rents and assessments; liability; lien and  
2093 priority; interest; collection; cooperative ownership.—

2094 (3) Rents and assessments, and installments on them, not  
2095 paid when due bear interest at the rate provided in the  
2096 cooperative documents from the date due until paid. This rate  
2097 may not exceed the rate allowed by law, and, if a ~~no~~ rate is not  
2098 provided in the cooperative documents, ~~then~~ interest accrues  
2099 shall accrue at 18 percent per annum. ~~Also,~~ If the cooperative  
2100 documents or bylaws so provide, the association may charge an  
2101 administrative late fee in addition to such interest, in an



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2102 amount not to exceed the greater of \$25 or 5 percent of each  
2103 installment of the assessment for each delinquent installment  
2104 that the payment is late. Any payment received by an association  
2105 must ~~shall~~ be applied first to any interest accrued by the  
2106 association, then to any administrative late fee, then to any  
2107 costs and reasonable attorney's fees incurred in collection, and  
2108 then to the delinquent assessment. The foregoing applies ~~shall~~  
2109 ~~be applicable~~ notwithstanding any restrictive endorsement,  
2110 designation, or instruction placed on or accompanying a payment.  
2111 A late fee is not subject to chapter 687 or s. 719.303(3).

2112 (4) The association has ~~shall have~~ a lien on each  
2113 cooperative parcel for any unpaid rents and assessments, plus  
2114 interest, any authorized administrative late fees, and any  
2115 reasonable costs for collection services for which the  
2116 association has contracted against the unit owner of the  
2117 cooperative parcel. If authorized by the cooperative documents,  
2118 the said lien shall also secures ~~secure~~ reasonable attorney's  
2119 fees incurred by the association incident to the collection of  
2120 the rents and assessments or enforcement of such lien. The lien  
2121 is effective from and after ~~the~~ recording ~~of~~ a claim of lien in  
2122 the public records in the county in which the cooperative parcel  
2123 is located which states the description of the cooperative  
2124 parcel, the name of the unit owner, the amount due, and the due  
2125 dates. The lien expires ~~shall expire~~ if a claim of lien is not  
2126 filed within 1 year after the date the assessment was due, and  
2127 the no such lien does not ~~shall~~ continue for a longer ~~period~~  
2128 than 1 year after the claim of lien has been recorded unless,  
2129 within that time, an action to enforce the lien is commenced ~~in~~  
2130 ~~a court of competent jurisdiction.~~ Except as otherwise provided



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2131 in this chapter, a lien may not be filed by the association  
2132 against a cooperative parcel until 30 days after the date on  
2133 which a notice of intent to file a lien has been delivered to  
2134 the owner.

2135 (a) The notice must be sent to the unit owner at the  
2136 address of the unit by first-class United States mail and:

2137 1. If the most recent address of the unit owner on the  
2138 records of the association is the address of the unit, the  
2139 notice must be sent by registered or certified mail, return  
2140 receipt requested, to the unit owner at the address of the unit.

2141 2. If the most recent address of the unit owner on the  
2142 records of the association is in the United States, but is not  
2143 the address of the unit, the notice must be sent by registered  
2144 or certified mail, return receipt requested, to the unit owner  
2145 at his or her most recent address.

2146 3. If the most recent address of the unit owner on the  
2147 records of the association is not in the United States, the  
2148 notice must be sent by first-class United States mail to the  
2149 unit owner at his or her most recent address.

2150 (b) A notice that is sent pursuant to this subsection is  
2151 deemed delivered upon mailing. No lien may be filed by the  
2152 association against a cooperative parcel until 30 days after the  
2153 date on which a notice of intent to file a lien has been served  
2154 on the unit owner of the cooperative parcel by certified mail or  
2155 by personal service in the manner authorized by chapter 48 and  
2156 the Florida Rules of Civil Procedure.

2157 (10) If the unit is occupied by a tenant and the unit owner  
2158 is delinquent in paying any monetary obligation due to the  
2159 association, the association may make a written demand that the



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2160 tenant pay the future monetary obligations related to the  
2161 cooperative share to the association and the tenant must make  
2162 such payment. The demand is continuing in nature, and upon  
2163 demand, the tenant must pay the monetary obligations to the  
2164 association until the association releases the tenant or the  
2165 tenant discontinues tenancy in the unit. The association must  
2166 mail written notice to the unit owner of the association's  
2167 demand that the tenant make payments to the association. The  
2168 association shall, upon request, provide the tenant with written  
2169 receipts for payments made. A tenant who acts in good faith in  
2170 response to a written demand from an association is immune from  
2171 any claim from the unit owner.

2172 (a) If the tenant prepaid rent to the unit owner before  
2173 receiving the demand from the association and provides written  
2174 evidence of paying the rent to the association within 14 days  
2175 after receiving the demand, the tenant shall receive credit for  
2176 the prepaid rent for the applicable period and must make any  
2177 subsequent rental payments to the association to be credited  
2178 against the monetary obligations of the unit owner to the  
2179 association.

2180 (b) The tenant is not liable for increases in the amount of  
2181 the regular monetary obligations due unless the tenant was  
2182 notified in writing of the increase at least 10 days before the  
2183 date on which the rent is due. The liability of the tenant may  
2184 not exceed the amount due from the tenant to the tenants'  
2185 landlord. The tenant's landlord shall provide the tenant a  
2186 credit against rents due to the unit owner in the amount of  
2187 monies paid to the association under this section.

2188 (c) The association may issue notices under s. 83.56 and



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2189 may sue for eviction under ss. 83.59-83.625 as if the  
2190 association were a landlord under part II of chapter 83 if the  
2191 tenant fails to pay a required payment. However, the association  
2192 is not otherwise considered a landlord under chapter 83 and  
2193 specifically has no duties under s. 83.51.

2194 (d) The tenant does not, by virtue of payment of monetary  
2195 obligations, have any of the rights of a unit owner to vote in  
2196 any election or to examine the books and records of the  
2197 association.

2198 (e) A court may supersede the effect of this subsection by  
2199 appointing a receiver.

2200 Section 22. Paragraph (b) of subsection (2) of section  
2201 720.304, Florida Statutes, is amended to read:

2202 720.304 Right of owners to peaceably assemble; display of  
2203 flag; SLAPP suits prohibited.—

2204 (2)

2205 (b) Any homeowner may erect a freestanding flagpole no more  
2206 than 20 feet high on any portion of the homeowner's real  
2207 property, regardless of any covenants, restrictions, bylaws,  
2208 rules, or requirements of the association, if the flagpole does  
2209 not obstruct sightlines at intersections and is not erected  
2210 within or upon an easement. The homeowner may further display in  
2211 a respectful manner from that flagpole, regardless of any  
2212 covenants, restrictions, bylaws, rules, or requirements of the  
2213 association, one official United States flag, not larger than 4  
2214 1/2 feet by 6 feet, and may additionally display one official  
2215 flag of the State of Florida or the United States Army, Navy,  
2216 Air Force, Marines, or Coast Guard, or a POW-MIA flag. Such  
2217 additional flag must be equal in size to or smaller than the



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2218 United States flag. The flagpole and display are subject to all  
2219 building codes, zoning setbacks, and other applicable  
2220 governmental regulations, including, but not limited to, noise  
2221 and lighting ordinances in the county or municipality in which  
2222 the flagpole is erected and all setback and locational criteria  
2223 contained in the governing documents.

2224 Section 23. Subsection (2) of section 720.305, Florida  
2225 Statutes, is amended to read:

2226 720.305 Obligations of members; remedies at law or in  
2227 equity; levy of fines and suspension of use rights.—

2228 (2) If a member is delinquent for more than 90 days in  
2229 paying a monetary obligation due the association ~~the governing~~  
2230 ~~documents so provide~~, an association may suspend, until such  
2231 monetary obligation is paid ~~for a reasonable period of time~~, the  
2232 rights of a member or a member's tenants, guests, or invitees,  
2233 or both, to use common areas and facilities and may levy  
2234 reasonable fines of up to, ~~not to exceed~~ \$100 per violation,  
2235 against any member or any tenant, guest, or invitee. A fine may  
2236 be levied for ~~on the basis of~~ each day of a continuing  
2237 violation, with a single notice and opportunity for hearing,  
2238 except that a ~~no such~~ fine may not ~~shall~~ exceed \$1,000 in the  
2239 aggregate unless otherwise provided in the governing documents.  
2240 A fine of less than \$1,000 ~~may~~ ~~shall~~ not become a lien against a  
2241 parcel. In any action to recover a fine, the prevailing party is  
2242 entitled to collect its reasonable attorney's fees and costs  
2243 from the nonprevailing party as determined by the court. The  
2244 provisions regarding the suspension-of-use rights do not apply  
2245 to the portion of common areas that must be used to provide  
2246 access to the parcel or utility services provided to the parcel.



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2247 (a) A fine or suspension may not be imposed without ~~notice~~  
2248 ~~of~~ at least 14 days notice to the person sought to be fined or  
2249 suspended and an opportunity for a hearing before a committee of  
2250 at least three members appointed by the board who are not  
2251 officers, directors, or employees of the association, or the  
2252 spouse, parent, child, brother, or sister of an officer,  
2253 director, or employee. If the committee, by majority vote, does  
2254 not approve a proposed fine or suspension, it may not be  
2255 imposed. If the association imposes a fine or suspension, the  
2256 association must provide written notice of such fine or  
2257 suspension by mail or hand delivery to the parcel owner and, if  
2258 applicable, to any tenant, licensee, or invitee of the parcel  
2259 owner.

2260 ~~(b) The requirements of this subsection do not apply to the~~  
2261 ~~imposition of suspensions or fines upon any member because of~~  
2262 ~~the failure of the member to pay assessments or other charges~~  
2263 ~~when due if such action is authorized by the governing~~  
2264 ~~documents.~~

2265 ~~(b)(e)~~ Suspension of common-area-use rights do shall not  
2266 impair the right of an owner or tenant of a parcel to have  
2267 vehicular and pedestrian ingress to and egress from the parcel,  
2268 including, but not limited to, the right to park.

2269 Section 24. Subsections (7) and (9) of section 720.306,  
2270 Florida Statutes, are amended to read:

2271 720.306 Meetings of members; voting and election  
2272 procedures; amendments.—

2273 (7) ADJOURNMENT.—Unless the bylaws require otherwise,  
2274 adjournment of an annual or special meeting to a different date,  
2275 time, or place must be announced at that meeting before an



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2276 adjournment is taken, or notice must be given of the new date,  
2277 time, or place pursuant to s. 720.303(2). Any business that  
2278 might have been transacted on the original date of the meeting  
2279 may be transacted at the adjourned meeting. If a new record date  
2280 for the adjourned meeting is or must be fixed under s. 607.0707  
2281 ~~s. 617.0707~~, notice of the adjourned meeting must be given to  
2282 persons who are entitled to vote and are members as of the new  
2283 record date but were not members as of the previous record date.

2284 (9) ELECTIONS AND BOARD VACANCIES.—Elections of directors  
2285 must be conducted in accordance with the procedures set forth in  
2286 the governing documents of the association. All members of the  
2287 association are ~~shall be~~ eligible to serve on the board of  
2288 directors, and a member may nominate himself or herself as a  
2289 candidate for the board at a meeting where the election is to be  
2290 held. Except as otherwise provided in the governing documents,  
2291 boards of directors must be elected by a plurality of the votes  
2292 cast by eligible voters. Any election dispute between a member  
2293 and an association must be submitted to mandatory binding  
2294 arbitration with the division. Such proceedings must ~~shall~~ be  
2295 conducted in the manner provided by s. 718.1255 and the  
2296 procedural rules adopted by the division. Unless otherwise  
2297 provided in the bylaws, any vacancy occurring on the board  
2298 before the expiration of a term may be filled by an affirmative  
2299 vote of the majority of the remaining directors, even if the  
2300 remaining directors constitute less than a quorum, or by the  
2301 sole remaining director. In the alternative, a board may hold an  
2302 election to fill the vacancy, in which case the election  
2303 procedures must conform to the requirements of the governing  
2304 documents. Unless otherwise provided in the bylaws, a board





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2305 member appointed or elected under this section is appointed for  
2306 the unexpired term of the seat being filled. Filling vacancies  
2307 created by recall is governed by s. 720.303(10) and rules  
2308 adopted by the division.

2309 Section 25. Subsection (8) is added to section 720.3085,  
2310 Florida Statutes, to read:

2311 720.3085 Payment for assessments; lien claims.-

2312 (8) If the parcel is occupied by a tenant and the parcel  
2313 owner is delinquent in paying any monetary obligation due to the  
2314 association, the association may demand that the tenant pay to  
2315 the association the future monetary obligations related to the  
2316 parcel. The demand is continuing in nature, and upon demand, the  
2317 tenant must continue to pay the monetary obligations until the  
2318 association releases the tenant or the tenant discontinues  
2319 tenancy in the parcel. A tenant who acts in good faith in  
2320 response to a written demand from an association is immune from  
2321 any claim from the parcel owner.

2322 (a) If the tenant prepaid rent to the parcel owner before  
2323 receiving the demand from the association and provides written  
2324 evidence of paying the rent to the association within 14 days  
2325 after receiving the demand, the tenant shall receive credit for  
2326 the prepaid rent for the applicable period and must make any  
2327 subsequent rental payments to the association to be credited  
2328 against the monetary obligations of the parcel owner to the  
2329 association. The association shall, upon request, provide the  
2330 tenant with written receipts for payments made. The association  
2331 shall mail written notice to the parcel owner of the  
2332 association's demand that the tenant pay monetary obligations to  
2333 the association.



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2334           (b) The tenant is not liable for increases in the amount of  
2335 the monetary obligations due unless the tenant was notified in  
2336 writing of the increase at least 10 days before the date on  
2337 which the rent is due. The tenant shall be given a credit  
2338 against rents due to the parcel owner in the amount of  
2339 assessments paid to the association.

2340           (c) The association may issue notices under s. 83.56 and  
2341 may sue for eviction under ss. 83.59-83.625 as if the  
2342 association were a landlord under part II of chapter 83 if the  
2343 tenant fails to pay a monetary obligation. However, the  
2344 association is not otherwise considered a landlord under chapter  
2345 83 and specifically has no duties under s. 83.51.

2346           (d) The tenant does not, by virtue of payment of monetary  
2347 obligations, have any of the rights of a parcel owner to vote in  
2348 any election or to examine the books and records of the  
2349 association.

2350           (e) A court may supersede the effect of this subsection by  
2351 appointing a receiver.

2352           Section 26. Subsection (6) is added to section 720.31,  
2353 Florida Statutes, to read:

2354           720.31 Recreational leaseholds; right to acquire;  
2355 escalation clauses.—

2356           (6) An association may enter into agreements to acquire  
2357 leaseholds, memberships, and other possessory or use interests  
2358 in lands or facilities, including, but not limited to, country  
2359 clubs, golf courses, marinas, submerged land, parking areas,  
2360 conservation areas, and other recreational facilities. An  
2361 association may enter into such agreements regardless of whether  
2362 the lands or facilities are contiguous to the lands of the



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2363 community or whether such lands or facilities are intended to  
2364 provide enjoyment, recreation, or other use or benefit to the  
2365 owners. All leaseholds, memberships, and other possessory or use  
2366 interests existing or created at the time of recording the  
2367 declaration must be stated and fully described in the  
2368 declaration. Subsequent to recording the declaration, agreements  
2369 acquiring leaseholds, memberships, or other possessory or use  
2370 interests not entered into within 12 months after recording the  
2371 declaration may be entered into only if authorized by the  
2372 declaration as a material alteration or substantial addition to  
2373 the common areas or association property. If the declaration is  
2374 silent, any such transaction requires the approval of 75 percent  
2375 of the total voting interests of the association. The  
2376 declaration may provide that the rental, membership fees,  
2377 operations, replacements, or other expenses are common expenses;  
2378 impose covenants and restrictions concerning their use; and  
2379 contain other provisions not inconsistent with this subsection.  
2380 An association exercising its rights under this subsection may  
2381 join with other associations that are part of the same  
2382 development or with a master association responsible for the  
2383 enforcement of shared covenants, conditions, and restrictions in  
2384 carrying out the intent of this subsection. This subsection is  
2385 intended to clarify law in existence before July 1, 2010.

2386 Section 27. Paragraph (b) of subsection (2), paragraphs (a)  
2387 and (c) of subsection (5), and paragraphs (b), (c), (d), (f),  
2388 and (g) of subsection (6) of section 720.303, Florida Statutes,  
2389 are amended, and subsection (12) is added to that section, to  
2390 read:

2391 720.303 Association powers and duties; meetings of board;



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2392 official records; budgets; financial reporting; association  
2393 funds; recalls.—

2394 (2) BOARD MEETINGS.—

2395 (b) Members have the right to attend all meetings of the  
2396 board and to speak on any matter placed on the agenda by  
2397 petition of the voting interests for at least 3 minutes. The  
2398 association may adopt written reasonable rules expanding the  
2399 right of members to speak and governing the frequency, duration,  
2400 and other manner of member statements, which rules must be  
2401 consistent with this paragraph and may include a sign-up sheet  
2402 for members wishing to speak. Notwithstanding any other law, ~~the~~  
2403 ~~requirement that board meetings and committee meetings be open~~  
2404 ~~to the members is inapplicable to meetings between the board or~~  
2405 a committee and the association's attorney to discuss proposed  
2406 or pending litigation, or with respect to meetings of the board  
2407 held for the purpose of discussing personnel matters are not  
2408 required to be open to the members other than directors.

2409 (5) INSPECTION AND COPYING OF RECORDS.—The official records  
2410 shall be maintained within the state and must be open to  
2411 inspection and available for photocopying by members or their  
2412 authorized agents at reasonable times and places within 10  
2413 business days after receipt of a written request for access.  
2414 This subsection may be complied with by having a copy of the  
2415 official records available for inspection or copying in the  
2416 community. If the association has a photocopy machine available  
2417 where the records are maintained, it must provide parcel owners  
2418 with copies on request during the inspection if the entire  
2419 request is limited to no more than 25 pages.

2420 (a) The failure of an association to provide access to the



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2421 records within 10 business days after receipt of a written  
2422 request submitted by certified mail, return receipt requested,  
2423 creates a rebuttable presumption that the association willfully  
2424 failed to comply with this subsection.

2425 (c) The association may adopt reasonable written rules  
2426 governing the frequency, time, location, notice, records to be  
2427 inspected, and manner of inspections, but may not require ~~impose~~  
2428 ~~a requirement that~~ a parcel owner to demonstrate any proper  
2429 purpose for the inspection, state any reason for the inspection,  
2430 or limit a parcel owner's right to inspect records to less than  
2431 one 8-hour business day per month. The association may impose  
2432 fees to cover the costs of providing copies of the official  
2433 records, including, without limitation, the costs of copying.  
2434 The association may charge up to 50 cents per page for copies  
2435 made on the association's photocopier. If the association does  
2436 not have a photocopy machine available where the records are  
2437 kept, or if the records requested to be copied exceed 25 pages  
2438 in length, the association may have copies made by an outside  
2439 vendor or association management company personnel and may  
2440 charge the actual cost of copying, including any reasonable  
2441 costs involving personnel fees and charges at an hourly rate for  
2442 vendor or employee time to cover administrative costs to the  
2443 vendor or association. The association shall maintain an  
2444 adequate number of copies of the recorded governing documents,  
2445 to ensure their availability to members and prospective members.  
2446 Notwithstanding ~~the provisions of~~ this paragraph, the following  
2447 records are ~~shall~~ not be accessible to members or parcel owners:

2448 1. Any record protected by the lawyer-client privilege as  
2449 described in s. 90.502 and any record protected by the work-



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2450 product privilege, including, but not limited to, any record  
2451 prepared by an association attorney or prepared at the  
2452 attorney's express direction which reflects a mental impression,  
2453 conclusion, litigation strategy, or legal theory of the attorney  
2454 or the association and which was prepared exclusively for civil  
2455 or criminal litigation or for adversarial administrative  
2456 proceedings or which was prepared in anticipation of imminent  
2457 civil or criminal litigation or imminent adversarial  
2458 administrative proceedings until the conclusion of the  
2459 litigation or ~~adversarial~~ administrative proceedings.

2460 2. Information obtained by an association in connection  
2461 with the approval of the lease, sale, or other transfer of a  
2462 parcel.

2463 3. ~~Disciplinary, health, insurance, and Personnel~~ records  
2464 of the association's employees, including, but not limited to,  
2465 disciplinary, payroll, health, and insurance records.

2466 4. Medical records of parcel owners or community residents.

2467 5. Social security numbers, driver's license numbers,  
2468 credit card numbers, electronic mailing addresses, telephone  
2469 numbers, emergency contact information, any addresses for a  
2470 parcel owner other than as provided for association notice  
2471 requirements, and other personal identifying information of any  
2472 person, excluding the person's name, parcel designation, mailing  
2473 address, and property address.

2474 6. Any electronic security measure that is used by the  
2475 association to safeguard data, including passwords.

2476 7. The software and operating system used by the  
2477 association which allows the manipulation of data, even if the  
2478 owner owns a copy of the same software used by the association.



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2479 The data is part of the official records of the association.

2480 (6) BUDGETS.—

2481 (b) In addition to annual operating expenses, the budget  
2482 may include reserve accounts for capital expenditures and  
2483 deferred maintenance for which the association is responsible.  
2484 If reserve accounts are not established pursuant to paragraph  
2485 (d), funding of such reserves is limited to the extent that the  
2486 governing documents do not limit increases in assessments,  
2487 including reserves. If the budget of the association includes  
2488 reserve accounts established pursuant to paragraph (d), such  
2489 reserves shall be determined, maintained, and waived in the  
2490 manner provided in this subsection. Once an association provides  
2491 for reserve accounts pursuant to paragraph (d) in the budget,  
2492 the association shall thereafter determine, maintain, and waive  
2493 reserves in compliance with this subsection. This section does  
2494 not preclude the termination of a reserve account established  
2495 pursuant to this paragraph upon approval of a majority of the  
2496 total voting interests of the association. Upon such approval,  
2497 the terminating reserve account shall be removed from the  
2498 budget.

2499 (c) 1. If the budget of the association does not provide for  
2500 reserve accounts pursuant to paragraph (d) governed by this  
2501 subsection and the association is responsible for the repair and  
2502 maintenance of capital improvements that may result in a special  
2503 assessment if reserves are not provided, each financial report  
2504 for the preceding fiscal year required by subsection (7) must  
2505 shall contain the following statement in conspicuous type:

2506  
2507 THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR



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2508 RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED  
2509 MAINTENANCE THAT MAY RESULT IN SPECIAL ASSESSMENTS.  
2510 OWNERS MAY ELECT TO PROVIDE FOR RESERVE ACCOUNTS  
2511 PURSUANT TO ~~THE PROVISIONS OF~~ SECTION 720.303(6),  
2512 FLORIDA STATUTES, UPON OBTAINING THE APPROVAL OF ~~NOT~~  
2513 ~~LESS THAN~~ A MAJORITY OF THE TOTAL VOTING INTERESTS OF  
2514 THE ASSOCIATION BY VOTE OF THE MEMBERS AT A MEETING OR  
2515 BY WRITTEN CONSENT.

2516 2. If the budget of the association does provide for  
2517 funding accounts for deferred expenditures, including, but not  
2518 limited to, funds for capital expenditures and deferred  
2519 maintenance, but such accounts are not created or established  
2520 pursuant to paragraph (d), each financial report for the  
2521 preceding fiscal year required under subsection (7) must also  
2522 contain the following statement in conspicuous type:

2523  
2524 THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED  
2525 VOLUNTARY DEFERRED EXPENDITURE ACCOUNTS, INCLUDING  
2526 CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE, SUBJECT  
2527 TO LIMITS ON FUNDING CONTAINED IN OUR GOVERNING  
2528 DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED TO  
2529 PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION  
2530 720.303(6), FLORIDA STATUTES, THESE FUNDS ARE NOT  
2531 SUBJECT TO THE RESTRICTIONS ON USE OF SUCH FUNDS SET  
2532 FORTH IN THAT STATUTE, NOR ARE RESERVES CALCULATED IN  
2533 ACCORDANCE WITH THAT STATUTE.

2534 (d) An association is ~~shall be~~ deemed to have provided for  
2535 reserve accounts if ~~when~~ reserve accounts have been initially  
2536 established by the developer or if ~~when~~ the membership of the





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2537 association affirmatively elects to provide for reserves. If  
2538 reserve accounts are not initially provided ~~for~~ by the  
2539 developer, the membership of the association may elect to do so  
2540 upon the affirmative approval of ~~not less than~~ a majority of the  
2541 total voting interests of the association. Such approval may be  
2542 obtained ~~attained~~ by vote of the members at a duly called  
2543 meeting of the membership or by the ~~upon a~~ written consent of  
2544 ~~executed by not less than~~ a majority of the total voting  
2545 interests of the association ~~in the community~~. The approval  
2546 action of the membership must ~~shall~~ state that reserve accounts  
2547 shall be provided for in the budget and must designate the  
2548 components for which the reserve accounts are to be established.  
2549 Upon approval by the membership, the board of directors shall  
2550 include ~~provide for~~ the required reserve accounts ~~for inclusion~~  
2551 in the budget in the next fiscal year following the approval and  
2552 ~~in~~ each year thereafter. Once established as provided in this  
2553 subsection, the reserve accounts must ~~shall~~ be funded or  
2554 maintained or ~~shall~~ have their funding waived in the manner  
2555 provided in paragraph (f).

2556 (f) After one or more ~~Once a reserve account or~~ reserve  
2557 accounts are established, the membership of the association,  
2558 upon a majority vote at a meeting at which a quorum is present,  
2559 may provide for no reserves or less reserves than required by  
2560 this section. If a meeting of the unit owners has been called to  
2561 determine whether to waive or reduce the funding of reserves and  
2562 ~~no~~ such result is not achieved or a quorum is not present, the  
2563 reserves as included in the budget ~~shall~~ go into effect. After  
2564 the turnover, the developer may vote its voting interest to  
2565 waive or reduce the funding of reserves. Any vote taken pursuant



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2566 to this subsection to waive or reduce reserves is ~~shall be~~  
2567 applicable only to one budget year.

2568 (g) Funding formulas for reserves authorized by this  
2569 section must ~~shall~~ be based on ~~either~~ a separate analysis of  
2570 each of the required assets or a pooled analysis of two or more  
2571 of the required assets.

2572 1. If the association maintains separate reserve accounts  
2573 for each of the required assets, the amount of the contribution  
2574 to each reserve account is ~~shall be~~ the sum of the following two  
2575 calculations:

2576 a. The total amount necessary, if any, to bring a negative  
2577 component balance to zero.

2578 b. The total estimated deferred maintenance expense or  
2579 estimated replacement cost of the reserve component less the  
2580 estimated balance of the reserve component as of the beginning  
2581 of the period ~~for which~~ the budget will be in effect. The  
2582 remainder, if greater than zero, shall be divided by the  
2583 estimated remaining useful life of the component.

2584  
2585 The formula may be adjusted each year for changes in estimates  
2586 and deferred maintenance performed during the year and may  
2587 include factors such as inflation and earnings on invested  
2588 funds.

2589 2. If the association maintains a pooled account of two or  
2590 more of the required reserve assets, the amount of the  
2591 contribution to the pooled reserve account as disclosed on the  
2592 proposed budget may ~~shall~~ not be less than that required to  
2593 ensure that the balance on hand at the beginning of the period  
2594 ~~for which~~ the budget will go into effect plus the projected



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2595 annual cash inflows over the remaining estimated useful life of  
2596 all of the assets that make up the reserve pool are equal to or  
2597 greater than the projected annual cash outflows over the  
2598 remaining estimated useful lives of all ~~of~~ the assets that make  
2599 up the reserve pool, based on the current reserve analysis. The  
2600 projected annual cash inflows may include estimated earnings  
2601 from investment of principal and accounts receivable minus the  
2602 allowance for doubtful accounts. The reserve funding formula may  
2603 shall not include any type of balloon payments.

2604 (12) COMPENSATION PROHIBITED.—A director, officer, or  
2605 committee member of the association may not directly receive any  
2606 salary or compensation from the association for the performance  
2607 of duties as a director, officer, or committee member and may  
2608 not in any other way benefit financially from service to the  
2609 association. This subsection does not preclude:

2610 (a) Participation by such person in a financial benefit  
2611 accruing to all or a significant number of members as a result  
2612 of actions lawfully taken by the board or a committee of which  
2613 he or she is a member, including, but not limited to, routine  
2614 maintenance, repair, or replacement of community assets.

2615 (b) Reimbursement for out-of-pocket expenses incurred by  
2616 such person on behalf of the association, subject to approval in  
2617 accordance with procedures established by the association's  
2618 governing documents or, in the absence of such procedures, in  
2619 accordance with an approval process established by the board.

2620 (c) Any recovery of insurance proceeds derived from a  
2621 policy of insurance maintained by the association for the  
2622 benefit of its members.

2623 (d) Any fee or compensation authorized in the governing



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2624 documents.

2625 (e) Any fee or compensation authorized in advance by a vote  
2626 of a majority of the voting interests voting in person or by  
2627 proxy at a meeting of the members.

2628 (f) A developer or its representative from serving as a  
2629 director, officer, or committee member of the association and  
2630 benefitting financially from service to the association.

2631 Section 28. Subsections (8) and (9) of section 720.306,  
2632 Florida Statutes, are amended to read:

2633 720.306 Meetings of members; voting and election  
2634 procedures; amendments.—

2635 (8) PROXY VOTING.—The members have the right, unless  
2636 otherwise provided in this subsection or in the governing  
2637 documents, to vote in person or by proxy.

2638 (a) To be valid, a proxy must be dated, must state the  
2639 date, time, and place of the meeting for which it was given, and  
2640 must be signed by the authorized person who executed the proxy.  
2641 A proxy is effective only for the specific meeting for which it  
2642 was originally given, as the meeting may lawfully be adjourned  
2643 and reconvened from time to time, and automatically expires 90  
2644 days after the date of the meeting for which it was originally  
2645 given. A proxy is revocable at any time at the pleasure of the  
2646 person who executes it. If the proxy form expressly so provides,  
2647 any proxy holder may appoint, in writing, a substitute to act in  
2648 his or her place.

2649 (b) If the governing documents permit voting by secret  
2650 ballot by members who are not in attendance at a meeting of the  
2651 members for the election of directors, such ballots must be  
2652 placed in an inner envelope with no identifying markings and



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2653 mailed or delivered to the association in an outer envelope  
2654 bearing identifying information reflecting the name of the  
2655 member, the lot or parcel for which the vote is being cast, and  
2656 the signature of the lot or parcel owner casting that ballot. If  
2657 the eligibility of the member to vote is confirmed and no other  
2658 ballot has been submitted for that lot or parcel, the inner  
2659 envelope shall be removed from the outer envelope bearing the  
2660 identification information, placed with the ballots which were  
2661 personally cast, and opened when the ballots are counted. If  
2662 more than one ballot is submitted for a lot or parcel, the  
2663 ballots for that lot or parcel shall be disqualified. Any vote  
2664 by ballot received after the closing of the balloting may not be  
2665 considered.

2666 (9) ELECTIONS.—Elections of directors must be conducted in  
2667 accordance with the procedures set forth in the governing  
2668 documents of the association. All members of the association are  
2669 ~~shall be~~ eligible to serve on the board of directors, and a  
2670 member may nominate himself or herself as a candidate for the  
2671 board at a meeting where the election is to be held or, if the  
2672 election process allows voting by absentee ballot, in advance of  
2673 the balloting. Except as otherwise provided in the governing  
2674 documents, boards of directors must be elected by a plurality of  
2675 the votes cast by eligible voters. Any election dispute between  
2676 a member and an association must be submitted to mandatory  
2677 binding arbitration with the division. Such proceedings must  
2678 ~~shall~~ be conducted in the manner provided by s. 718.1255 and the  
2679 procedural rules adopted by the division.

2680 Section 29. Section 720.315, Florida Statutes, is created  
2681 to read:



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2682           720.315 Passage of special assessments.—Before turnover,  
2683 the board of directors controlled by the developer may not levy  
2684 a special assessment unless a majority of the parcel owners  
2685 other than the developer have approved the special assessment by  
2686 a majority vote at a duly called special meeting of the  
2687 membership at which a quorum is present.

2688           Section 30. This act shall take effect July 1, 2010.

2689  
2690 ===== T I T L E   A M E N D M E N T =====

2691 And the title is amended as follows:

2692           Delete everything before the enacting clause  
2693 and insert:

2694                           A bill to be entitled  
2695           An act relating to community associations; amending s.  
2696           399.02, F.S.; exempting certain elevators from  
2697           specific code update requirements; providing a phase-  
2698           in period for such elevators; amending s. 617.0721,  
2699           F.S.; revising the limitations on the right of members  
2700           to vote on corporate matters for certain corporations  
2701           not for profit that are regulated under ch. 718 or ch.  
2702           719, F.S.; amending s. 617.0808, F.S.; excepting  
2703           certain corporations not for profit that are an  
2704           association as defined in s. 720.301, F.S., or a  
2705           corporation regulated under ch. 718 or ch. 719, F.S.,  
2706           from certain provisions relating to the removal of a  
2707           director; amending s. 617.1606, F.S.; providing that  
2708           certain statutory provisions providing for the  
2709           inspection of corporate records do not apply to a  
2710           corporation not for profit that is an association as



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2711 defined in s. 720.301, or a corporation regulated  
2712 under ch. 718 or ch. 719, F.S.; creating s. 627.714,  
2713 F.S.; requiring that coverage under a unit owner's  
2714 policy for certain assessments include at least a  
2715 minimum amount of loss assessment coverage; requiring  
2716 that every property insurance policy to an individual  
2717 unit owner contain a specified provision; amending s.  
2718 633.0215, F.S.; exempting certain residential  
2719 buildings from a requirement to install a manual fire  
2720 alarm system; amending s. 718.103, F.S.; redefining  
2721 the term "developer"; amending s. 718.110, F.S.;  
2722 allowing the condominium association to have the  
2723 authority to restrict through an amendment to a  
2724 declaration of condominium, rather than prohibit, the  
2725 rental of condominium units; amending s. 718.111,  
2726 F.S.; deleting a requirement for the board of a  
2727 condominium to hold a meeting open to unit owners to  
2728 establish the amount of an insurance deductible;  
2729 revising the property to which a property insurance  
2730 policy for a condominium association applies; revising  
2731 the requirements for a condominium unit owner's  
2732 property insurance policy; limiting the circumstances  
2733 under which a person who violates requirements to  
2734 maintain association records may be personally liable  
2735 for a civil penalty; providing that a condominium  
2736 association is not responsible for the use of certain  
2737 information provided to an association member under  
2738 certain circumstances; specifying records of a  
2739 condominium association that are exempt from a



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2740 requirement for records to be available for inspection  
2741 by an association member; increasing the amount of  
2742 time within which a condominium association must  
2743 provide unit owners with a copy of the association's  
2744 annual financial report; revising the requirements for  
2745 rules relating to the financial report that must be  
2746 adopted by the Division of Florida Condominiums,  
2747 Timeshares, and Mobile Homes of the Department of  
2748 Business and Professional Regulation; revising the  
2749 requirements for a financial report based on the  
2750 amount of a condominium's revenues; amending s.  
2751 718.112, F.S.; revising provisions relating to the  
2752 terms or appointment or election of condominium  
2753 members to a board of administration; creating  
2754 exceptions to such provisions for condominiums that  
2755 contain timeshares; specifying a certification that a  
2756 person who is appointed or elected to a board of  
2757 administration must make or educational requirements  
2758 such board member must satisfy; conforming cross-  
2759 references to changes made by the act; deleting a  
2760 provision prohibiting an association from foregoing  
2761 the retrofitting with a fire sprinkler system of  
2762 common areas in a high-rise building; prohibiting  
2763 local authorities having jurisdiction from requiring  
2764 retrofitting with a sprinkler system or other  
2765 engineered lifesafety system before a specified date;  
2766 requiring that certain associations initiate, before a  
2767 specified date, an application for a building permit  
2768 for the required fire sprinkler installation with the





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2769 local government having jurisdiction demonstrating  
2770 that the association will be in compliance with  
2771 certain firesafety requirements by a specified date;  
2772 authorizing an association to forgo retrofitting under  
2773 certain circumstances; providing requirements for a  
2774 special meeting of unit owners which may be called  
2775 every 3 years in order to vote to forgo retrofitting  
2776 of the sprinkler system or other engineered lifesafety  
2777 systems; providing meeting notice requirements;  
2778 expanding the monetary obligations that a director or  
2779 officer must satisfy to avoid abandoning his or her  
2780 office; amending s. 718.115, F.S.; specifying certain  
2781 services provided in a declaration of condominium  
2782 which are obtained pursuant to a bulk contract to be  
2783 deemed a common expense; specifying provisions that  
2784 must be contained in a bulk contract; specifying  
2785 cancellation procedures for bulk contracts; amending  
2786 s. 718.116, F.S.; increasing the period of accrual of  
2787 certain assessments used to determine the amount of  
2788 limited liability of certain first mortgagees or their  
2789 successors or assignees; requiring a tenant in a unit  
2790 owned by a person who is delinquent in the payment of  
2791 a monetary obligation to the condominium association  
2792 to pay rent to the association under certain  
2793 circumstances; authorizing the condominium association  
2794 to sue such tenant who fails to pay rent for eviction  
2795 under certain circumstances; providing that the tenant  
2796 is immune from claims from the unit owner as the  
2797 result of paying rent to the association under certain



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2798 circumstances; amending s. 718.117, F.S.; revising the  
2799 circumstances under which a condominium association  
2800 may be terminated due to economic waste or  
2801 impossibility; revising provisions specifying the  
2802 effect of a termination of condominium; amending s.  
2803 718.202, F.S.; authorizing the deposit of certain  
2804 funds into multiple escrow accounts; requiring that an  
2805 escrow agent maintain separate accounting records for  
2806 each purchaser under certain circumstances; amending  
2807 s. 718.301, F.S.; revising conditions under which unit  
2808 owners other than the developer may elect at least a  
2809 majority of the members of the board of administration  
2810 of an association; amending s. 718.303, F.S.;  
2811 authorizing an association to suspend for a reasonable  
2812 time the right of a unit owner or the unit's occupant,  
2813 licensee, or invitee to use certain common elements  
2814 under certain circumstances; prohibiting a fine from  
2815 being levied or a suspension from being imposed unless  
2816 the association meets certain requirements for notice  
2817 and provides an opportunity for a hearing; authorizing  
2818 an association to suspend voting rights of a member  
2819 due to nonpayment of assessments, fines, or other  
2820 charges under certain circumstances; amending s.  
2821 718.501, F.S.; specifying that the jurisdiction of the  
2822 Division of Florida Condominiums, Timeshares, and  
2823 Mobile Homes includes bulk assignees and bulk buyers;  
2824 creating part VII of ch. 718, F.S.; creating the  
2825 "Distressed Condominium Relief Act"; providing  
2826 legislative findings and intent; defining the terms



2827 "bulk assignee" and "bulk buyer"; providing for the  
2828 assignment of developer rights by a bulk assignee;  
2829 specifying liabilities of bulk assignees and bulk  
2830 buyers; providing exceptions; providing additional  
2831 responsibilities of bulk assignees and bulk buyers;  
2832 authorizing certain entities to assign developer  
2833 rights to a bulk assignee; limiting the number of bulk  
2834 assignees at any given time; providing for the  
2835 transfer of control of a board of administration to  
2836 unit owners; providing effects of such transfer on  
2837 parcels acquired by a bulk assignee; providing  
2838 obligations of a bulk assignee upon the transfer of  
2839 control of a board of administration; requiring that a  
2840 bulk assignee certify certain information in writing;  
2841 providing for the resolution of a conflict between  
2842 specified provisions of state law; providing that the  
2843 failure of a bulk assignee or bulk buyer to comply  
2844 with specified provisions of state law results in the  
2845 loss of certain protections and exemptions; requiring  
2846 that a bulk assignee or bulk buyer file certain  
2847 information with the Division of Florida Condominiums,  
2848 Timeshares, and Mobile Homes of the Department of  
2849 Business and Professional Regulation before offering  
2850 any units for sale or lease in excess of a specified  
2851 term; requiring that a copy of such information be  
2852 provided to a prospective purchaser or tenant;  
2853 requiring that certain contracts and disclosure  
2854 statements contain specified statements; requiring  
2855 that a bulk assignee or bulk buyer comply with certain



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2856 disclosure requirements; prohibiting a bulk assignee  
2857 from authorizing certain actions on behalf of an  
2858 association while the bulk assignee is in control of  
2859 the board of administration of the association;  
2860 requiring that a bulk assignee or bulk buyer comply  
2861 with certain laws with respect to contracts entered  
2862 into by the association while the bulk assignee or  
2863 bulk buyer was in control of the board of  
2864 administration; providing parcel owners with specified  
2865 protections regarding certain contracts; requiring  
2866 that a bulk buyer comply with certain requirements  
2867 regarding the transfer of a parcel; prohibiting a  
2868 person from being classified as a bulk assignee or  
2869 bulk buyer unless condominium parcels were acquired  
2870 before a specified date; providing that the assignment  
2871 of developer rights to a bulk assignee does not  
2872 release a developer from certain liabilities; amending  
2873 s. 719.106, F.S.; providing for the filling of  
2874 vacancies on the condominium board of administration;  
2875 amending s. 719.1055, F.S.; providing an additional  
2876 required provision in cooperative bylaws; deleting a  
2877 provision prohibiting an association from foregoing  
2878 the retrofitting with a fire sprinkler system of  
2879 common areas in a high-rise building; prohibiting  
2880 local authorities having jurisdiction from requiring  
2881 retrofitting with a sprinkler system or other  
2882 engineered lifesafety system before a specified date;  
2883 providing requirements for a special meeting of unit  
2884 owners which may be called every 3 years in order to



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2885 vote to require retrofitting of the sprinkler system  
2886 or other engineered lifesafety system; providing  
2887 meeting notice requirements; amending s. 719.108,  
2888 F.S.; providing a prioritized list for disbursement of  
2889 payments received by an association; providing for a  
2890 lien by an association on a condominium unit for  
2891 certain fees and costs; providing procedures and  
2892 notice requirements for the filing of a lien by an  
2893 association; requiring a tenant in a unit owned by a  
2894 person who is delinquent in the payment of a monetary  
2895 obligation to the condominium association to pay rent  
2896 to the association under certain circumstances;  
2897 amending s. 720.304, F.S.; providing that a flagpole  
2898 and any flagpole display are subject to certain codes  
2899 and regulations; amending s. 720.305, F.S.;

2900 authorizing the association to suspend rights to use  
2901 common areas and facilities if the member is  
2902 delinquent on the payment of a monetary obligation due  
2903 for a certain period of time; providing procedures and  
2904 notice requirements for levying a fine or imposing a  
2905 suspension; amending s. 720.306, F.S.; providing  
2906 procedures for filling a vacancy on the board of  
2907 directors; amending s. 720.3085, F.S.; requiring a  
2908 tenant in a property owned by a person who is  
2909 delinquent in the payment of a monetary obligation to  
2910 the condominium association to pay rent to the  
2911 association under certain circumstances; amending s.  
2912 720.31, F.S.; authorizing an association to enter into  
2913 certain agreements to use lands or facilities;



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2914 requiring that certain items be stated and fully  
2915 described in the declaration; limiting an  
2916 association's power to enter into such agreements  
2917 after a specified period following the recording of a  
2918 declaration; requiring that certain agreements be  
2919 approved by a specified percentage of voting interests  
2920 of an association when the declaration is silent as to  
2921 the authority of an association to enter into such  
2922 agreement; authorizing an association to join with  
2923 other associations or a master association under  
2924 certain circumstances and for specified purposes;  
2925 amending s. 720.303, F.S.; revising provisions  
2926 relating to homeowners' association board meetings,  
2927 inspection and copying of records, and reserve  
2928 accounts of budgets; expanding the list of association  
2929 records that are not accessible to members and parcel  
2930 owners; prohibiting certain association personnel from  
2931 receiving a salary or compensation; providing  
2932 exceptions; amending s. 720.306, F.S.; providing  
2933 requirements for secret ballots; providing for filling  
2934 vacancies on the homeowners' association board;  
2935 creating s. 720.315, F.S.; prohibiting the board of  
2936 directors of a homeowners' association from levying a  
2937 special assessment before turnover of the association  
2938 by the developer unless certain conditions are met;  
2939 providing an effective date.