CS/CS/CS/HB73, Engrossed 1

1	A bill to be entitled
2	An act relating to residential properties; amending s.
3	399.02, F.S.; exempting certain elevators from
4	specific code update requirements; amending s.
5	718.111, F.S.; revising requirements for an
6	association's approval of land purchases and
7	recreational leases; revising reconstruction costs for
8	which unit owners are responsible and authorizing the
9	costs to be collected in a specified manner; requiring
10	an association to repair or replace as a common
11	expense certain condominium property damaged by an
12	insurable event; requiring an association to allow a
13	member or the member's representative to use certain
14	portable devices to make electronic copies of
15	association records; prohibiting the association from
16	charging the member or representative for using the
17	portable device; authorizing a condominium association
18	to print and distribute a member directory under
19	certain conditions; revising requirements for the
20	preparation of an association's annual financial
21	statement; amending s. 718.112, F.S.; revising terms
22	of members of an association's board of administrators
23	and revising eligibility criteria for candidates;
24	revising condominium unit owner meeting notice
25	requirements; providing for nonapplicability to
26	associations governing timeshare condominiums of
27	certain provisions relating to elections of board
28	members; revising recordkeeping requirements of a
I	Page 1 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

hb0073-04-e1

CS/CS/CS/HB73, Engrossed 1

29 condominium association board; requiring commencement 30 of challenges to an election within a specified 31 period; providing requirements for challenging the 32 failure of a board to duly notice and hold the required board meeting or to file the required 33 34 petition for a recall; providing requirements for recalled board members to challenge the recall; 35 36 prohibiting the Division of Florida Condominiums, Timeshares, and Mobile Homes of the Department of 37 38 Business and Professional Regulation from accepting recall petitions for filing under certain 39 40 circumstances; amending s. 718.113, F.S.; providing requirements for a condominium association board 41 42 relating to the installation of hurricane shutters, impact glass, code-compliant windows or doors, and 43 other types of code-compliant hurricane protection 44 45 under certain circumstances; amending s. 718.115, 46 F.S.; conforming provisions to changes made by the 47 act; amending s. 718.303, F.S.; revising provisions relating to imposing remedies against a noncompliant 48 or delinquent condominium unit owner or member; 49 50 amending s. 718.403, F.S.; providing requirements for 51 the completion of phase condominiums; creating s. 52 718.406, F.S.; providing definitions; providing requirements for condominiums created within 53 54 condominium parcels; providing for the establishment of primary condominium and secondary condominium 55 56 units; providing requirements for association

Page 2 of 74

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

hb0073-04-e1

CS/CS/CS/HB73, Engrossed 1

57 declarations; authorizing a primary condominium 58 association to provide insurance and adopt hurricane 59 shutter or hurricane protection specifications under 60 certain conditions; providing requirements relating to assessments; providing for resolution of conflicts 61 62 between primary condominium declarations and secondary condominium declarations; providing requirements 63 64 relating to common expenses due the primary condominium association; amending s. 718.5011, F.S.; 65 66 revising the restriction on officers and full-time employees of the ombudsman from engaging in other 67 68 businesses or professions; amending s. 719.104, F.S.; 69 providing requirements for the maintenance of the 70 official records of the association; authorizing 71 records to be made available to unit owners in an electronic format; providing a civil penalty for the 72 73 denial of a request to view records; requiring an 74 association to allow a member or the member's 75 authorized representative to use certain portable 76 devices to make electronic copies of association 77 records; prohibiting the association from charging the member or authorized representative for using the 78 79 portable device; authorizing a cooperative association 80 to print and distribute a member directory under certain conditions; specifying additional records that 81 are not accessible to unit owners; amending s. 82 83 719.1055, F.S.; revising provisions relating to the 84 amendment of cooperative documents; providing

Page 3 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

CS/CS/CS/HB73, Engrossed 1

85 legislative findings and a finding of compelling state 86 interest; providing criteria for consent or joinder to 87 an amendment; requiring notice regarding proposed 88 amendments to mortgagees; providing criteria for 89 notification; providing for voiding certain 90 amendments; amending s. 719.106, F.S.; revising applicability of certain board of administration 91 92 meeting requirements; requiring commencement of 93 challenges to an election within a specified period; 94 specifying certification or educational requirements 95 for a newly elected or appointed cooperative board 96 director; providing requirements for challenging the 97 failure of a board to duly notice and hold the required board meeting or to file the required 98 petition for a recall; providing requirements for 99 100 recalled board members to challenge the recall; 101 prohibiting the division from accepting recall 102 petitions for filing under certain circumstances; 103 providing education requirements for board members; 104 amending s. 719.303, F.S.; revising provisions relating to imposing remedies against a noncompliant 105 or delinquent cooperative unit owner or member; 106 amending s. 719.501, F.S.; authorizing the division to 107 108 provide training and educational programs for 109 cooperative association board members and unit owners; 110 amending s. 720.303, F.S.; requiring an association to allow a member or the member's representative to use 111 112 certain portable devices to make electronic copies of

Page 4 of 74

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

hb0073-04-e1

CS/CS/CS/HB73, Engrossed 1

113 association records; prohibiting the association from 114 charging the member or representative for using the 115 portable device; authorizing a homeowners' association 116 to print and distribute a member directory under 117 certain conditions; revising requirements for the preparation of an association's annual financial 118 119 statement; revising the types of records that are not 120 accessible to homeowners' association members and 121 parcel owners; providing requirements for challenging 122 the failure of a board to duly notice and hold the 123 required board meeting or to file the required 124 petition for a recall; providing requirements for 125 recalled board members to challenge the recall; 126 prohibiting the division from accepting recall 127 petitions for filing under certain circumstances; 128 amending s. 720.305, F.S.; revising provisions 129 relating to imposing remedies against a noncompliant or delinguent homeowners' association member and 130 131 parcel owner; amending s. 720.306, F.S.; revising 132 provisions relating to the amendment of homeowners' association declarations; providing legislative 133 134 findings and a finding of compelling state interest; 135 providing criteria for consent or joinder to an 136 amendment; requiring notice to mortgagees regarding 137 proposed amendments; providing criteria for 138 notification; providing for voiding certain amendments; revising provisions relating to right to 139 140 speak at a homeowners' association meeting; requiring Page 5 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

hb0073-04-e1

CS/CS/CS/HB73, Engrossed 1

141 commencement of challenges to an election within a 142 specified period; providing an effective date. 143 144 Be It Enacted by the Legislature of the State of Florida: 145 146 Section 1. Subsection (9) of section 399.02, Florida 147 Statutes, is amended to read: 148 399.02 General requirements.-149 Updates to the Safety Code for Existing Elevators and (9) 150 Escalators, ASME A17.1 and A17.3, which require Phase II 151 Firefighters' Service on elevators may not be enforced until 152 July 1, 2015, or until the elevator is replaced or requires 153 major modification, whichever occurs first, on elevators in 154 condominiums or multifamily residential buildings, including 155 those that are part of a continuing care facility licensed under 156 chapter 651, or similar retirement community with apartments, 157 having a certificate of occupancy by the local building 158 authority that was issued before July 1, 2008. This exception 159 does not prevent an elevator owner from requesting a variance 160 from the applicable codes before or after July 1, 2015. This subsection does not prohibit the division from granting 161 162 variances pursuant to s. 120.542 and subsection (8). The division shall adopt rules to administer this subsection. 163 164 Section 2. Subsection (8), paragraphs (g) and (j) of

165 subsection (11), paragraph (c) of subsection (12), and 166 paragraphs (a) and (b) of subsection (13) of section 718.111, 167 Florida Statutes, are amended to read:

168 718.111 The association.-

Page 6 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

CS/CS/CS/HB73, Engrossed 1

169 (8) PURCHASE OF LEASES.-The association has the power to 170 purchase any land or recreation lease, subject to the same 171 manner of approval as in s. 718.114 for the acquisition of 172 leaseholds upon the approval of such voting interest as is 173 required by the declaration. If the declaration makes no 174 provision for acquisition of the land or recreation lease, the 175 vote required shall be that required to amend the declaration to 176 permit the acquisition.

177 INSURANCE.-In order to protect the safety, health, (11)and welfare of the people of the State of Florida and to ensure 178 179 consistency in the provision of insurance coverage to condominiums and their unit owners, this subsection applies to 180 181 every residential condominium in the state, regardless of the 182 date of its declaration of condominium. It is the intent of the 183 Legislature to encourage lower or stable insurance premiums for 184 associations described in this subsection.

185 A condominium unit owner's policy must conform to the (q) 186 requirements of s. 627.714.

187 1. All reconstruction work after a property loss must be 188 undertaken by the association except as otherwise authorized in 189 this section. A unit owner may undertake reconstruction work on portions of the unit with the prior written consent of the board 190 of administration. However, such work may be conditioned upon 191 192 the approval of the repair methods, the qualifications of the proposed contractor, or the contract that is used for that 193 194 purpose. A unit owner must obtain all required governmental 195 permits and approvals before commencing reconstruction. Unit owners are responsible for the cost of 2.

196

Page 7 of 74

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

CS/CS/CS/HB73, Engrossed 1

197 reconstruction of any portions of the condominium property for 198 which the unit owner is required to carry property insurance, <u>or</u> 199 <u>for which the unit owner is responsible under subsection (j),</u> 200 and <u>the cost of</u> any such reconstruction work undertaken by the 201 association is chargeable to the unit owner and enforceable as 202 an assessment <u>and may be collected in the manner provided for</u> 203 <u>the collection of assessments</u> pursuant to s. 718.116.

204 3. A multicondominium association may elect, by a majority 205 vote of the collective members of the condominiums operated by 206 the association, to operate the condominiums as a single 207 condominium for purposes of insurance matters, including, but not limited to, the purchase of the property insurance required 208 209 by this section and the apportionment of deductibles and damages 210 in excess of coverage. The election to aggregate the treatment 211 of insurance premiums, deductibles, and excess damages 212 constitutes an amendment to the declaration of all condominiums 213 operated by the association, and the costs of insurance must be 214 stated in the association budget. The amendments must be 215 recorded as required by s. 718.110.

216 Any portion of the condominium property that must be (j) 217 insured by the association against property loss pursuant to 218 paragraph (f) which is damaged by an insurable event shall be 219 reconstructed, repaired, or replaced as necessary by the 220 association as a common expense. All property insurance 221 deductibles, uninsured losses, and other damages in excess of 222 property insurance coverage under the property insurance 223 policies maintained by the association are a common expense of 224 the condominium, except that:

Page 8 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

CS/CS/CS/HB73, Engrossed 1

225 1. A unit owner is responsible for the costs of repair or 226 replacement of any portion of the condominium property not paid 227 by insurance proceeds if such damage is caused by intentional 228 conduct, negligence, or failure to comply with the terms of the 229 declaration or the rules of the association by a unit owner, the members of his or her family, unit occupants, tenants, quests, 230 231 or invitees, without compromise of the subrogation rights of the 232 insurer.

2. The provisions of subparagraph 1. regarding the 234 financial responsibility of a unit owner for the costs of 235 repairing or replacing other portions of the condominium 236 property also apply to the costs of repair or replacement of 237 personal property of other unit owners or the association, as 238 well as other property, whether real or personal, which the unit 239 owners are required to insure.

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

4. The association is not obligated to pay for reconstruction or repairs of property losses as a common expense if the property losses were known or should have been known to a unit owner and were not reported to the association until after the insurance claim of the association for that property was settled or resolved with finality, or denied because it was

Page 9 of 74

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

hb0073-04-e1

CS/CS/CS/HB73, Engrossed 1

253 untimely filed.

254 (12) OFFICIAL RECORDS.-

255 The official records of the association are open to (C) 256 inspection by any association member or the authorized 257 representative of such member at all reasonable times. The right 258 to inspect the records includes the right to make or obtain 259 copies, at the reasonable expense, if any, of the member. The 260 association may adopt reasonable rules regarding the frequency, 261 time, location, notice, and manner of record inspections and 262 copying. The failure of an association to provide the records 263 within 10 working days after receipt of a written request 264 creates a rebuttable presumption that the association willfully 265 failed to comply with this paragraph. A unit owner who is denied 266 access to official records is entitled to the actual damages or 267 minimum damages for the association's willful failure to comply. 268 Minimum damages are \$50 per calendar day for up to 10 days, 269 beginning on the 11th working day after receipt of the written 270 request. The failure to permit inspection entitles any person 271 prevailing in an enforcement action to recover reasonable 272 attorney attorney's fees from the person in control of the 273 records who, directly or indirectly, knowingly denied access to 274 the records. Any person who knowingly or intentionally defaces or destroys accounting records that are required by this chapter 275 276 to be maintained during the period for which such records are 277 required to be maintained, or who knowingly or intentionally 278 fails to create or maintain accounting records that are required to be created or maintained, with the intent of causing harm to 279 the association or one or more of its members, is personally 280

Page 10 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

hb0073-04-e1

CS/CS/CS/HB73, Engrossed 1

281 subject to a civil penalty pursuant to s. 718.501(1)(d). The 282 association shall maintain an adequate number of copies of the 283 declaration, articles of incorporation, bylaws, and rules, and 284 all amendments to each of the foregoing, as well as the question 285 and answer sheet as described in s. 718.504 and year-end 286 financial information required under this section, on the 287 condominium property to ensure their availability to unit owners 288 and prospective purchasers, and may charge its actual costs for 289 preparing and furnishing these documents to those requesting the 290 documents. An association shall allow a member or his or her 291 authorized representative to use a portable device, including a smartphone, tablet, portable scanner, or any other technology 292 293 capable of scanning or taking photographs, to make an electronic 294 copy of the official records in lieu of the association's 295 providing the member or his or her authorized representative 296 with a copy of such records. The association may not charge a 297 member or his or her authorized representative for the use of a 298 portable device. Notwithstanding this paragraph, the following records are not accessible to unit owners: 299

300 Any record protected by the lawyer-client privilege as 1. described in s. 90.502 and any record protected by the work-301 302 product privilege, including a record prepared by an association attorney or prepared at the attorney's express direction, which 303 304 reflects a mental impression, conclusion, litigation strategy, 305 or legal theory of the attorney or the association, and which 306 was prepared exclusively for civil or criminal litigation or for 307 adversarial administrative proceedings, or which was prepared in anticipation of such litigation or proceedings until the 308

Page 11 of 74

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

CS/CS/CS/HB73, Engrossed 1

309 conclusion of the litigation or proceedings.

310 2. Information obtained by an association in connection 311 with the approval of the lease, sale, or other transfer of a 312 unit.

313 3. Personnel records of association or management company 314 employees, including, but not limited to, disciplinary, payroll, 315 health, and insurance records. For purposes of this 316 subparagraph, the term "personnel records" does not include 317 written employment agreements with an association employee or 318 management company, or budgetary or financial records that 319 indicate the compensation paid to an association employee.

320

4. Medical records of unit owners.

321 Social security numbers, driver's license numbers, 5. 322 credit card numbers, e-mail addresses, telephone numbers, 323 facsimile numbers, emergency contact information, addresses of a 324 unit owner other than as provided to fulfill the association's 325 notice requirements, and other personal identifying information 326 of any person, excluding the person's name, unit designation, 327 mailing address, property address, and any address, e-mail 328 address, or facsimile number provided to the association to 329 fulfill the association's notice requirements. Notwithstanding 330 the restrictions in this subparagraph, an association may print 331 and distribute to parcel owners a directory containing the name, 332 parcel address, and telephone number of each parcel owner. 333 However, an owner may exclude his or her telephone number from 334 the directory by so requesting in writing to the association 335 consent in writing to the disclosure of protected information 336 described in this subparagraph. The association is not liable

Page 12 of 74

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

CS/CS/CS/HB73, Engrossed 1

for the inadvertent disclosure of information that is protected under this subparagraph if the information is included in an official record of the association and is voluntarily provided by an owner and not requested by the association.

341 6. Electronic security measures that are used by the342 association to safeguard data, including passwords.

343 7. The software and operating system used by the 344 association which allow the manipulation of data, even if the 345 owner owns a copy of the same software used by the association. 346 The data is part of the official records of the association.

347 (13) FINANCIAL REPORTING.-Within 90 days after the end of the fiscal year, or annually on a date provided in the bylaws, 348 349 the association shall prepare and complete, or contract for the preparation and completion of, a financial report for the 350 351 preceding fiscal year. Within 21 days after the final financial 352 report is completed by the association or received from the 353 third party, but not later than 120 days after the end of the 354 fiscal year or other date as provided in the bylaws, the association shall mail to each unit owner at the address last 355 356 furnished to the association by the unit owner, or hand deliver 357 to each unit owner, a copy of the financial report or a notice 358 that a copy of the financial report will be mailed or hand 359 delivered to the unit owner, without charge, upon receipt of a 360 written request from the unit owner. The division shall adopt 361 rules setting forth uniform accounting principles and standards 362 to be used by all associations and addressing the financial reporting requirements for multicondominium associations. The 363 364 rules must include, but not be limited to, standards for

Page 13 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.



CS/CS/CS/HB73, Engrossed 1

365 presenting a summary of association reserves, including a good 366 faith estimate disclosing the annual amount of reserve funds 367 that would be necessary for the association to fully fund 368 reserves for each reserve item based on the straight-line 369 accounting method. This disclosure is not applicable to reserves 370 funded via the pooling method. In adopting such rules, the 371 division shall consider the number of members and annual 372 revenues of an association. Financial reports shall be prepared 373 as follows:

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

379 1. An association with total annual revenues of \$150,000
 380 \$100,000 or more, but less than \$300,000 \$200,000, shall prepare
 381 compiled financial statements.

382 2. An association with total annual revenues of at least
 383 \$\frac{\$300,000}{\$200,000}\$, but less than \$\frac{\$500,000}{\$400,000}\$, shall
 384 prepare reviewed financial statements.

385 3. An association with total annual revenues of \$500,000
 386 \$400,000 or more shall prepare audited financial statements.

(b)1. An association with total annual revenues of less
than \$150,000 \$100,000 shall prepare a report of cash receipts
and expenditures.

390 2. An association that operates fewer than <u>50</u> 75 units,
391 regardless of the association's annual revenues, shall prepare a
392 report of cash receipts and expenditures in lieu of financial

Page 14 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

CS/CS/CS/HB73, Engrossed 1

393 statements required by paragraph (a).

394 3. A report of cash receipts and disbursements must 395 disclose the amount of receipts by accounts and receipt 396 classifications and the amount of expenses by accounts and 397 expense classifications, including, but not limited to, the 398 following, as applicable: costs for security, professional and 399 management fees and expenses, taxes, costs for recreation 400 facilities, expenses for refuse collection and utility services, 401 expenses for lawn care, costs for building maintenance and 402 repair, insurance costs, administration and salary expenses, and 403 reserves accumulated and expended for capital expenditures, 404 deferred maintenance, and any other category for which the association maintains reserves. 405

406 Section 3. Paragraphs (d) and (j) of subsection (2) of 407 section 718.112, Florida Statutes, are amended to read:

408

718.112 Bylaws.-

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

412

(d) Unit owner meetings.-

413 1. An annual meeting of the unit owners shall be held at 414 the location provided in the association bylaws and, if the 415 bylaws are silent as to the location, the meeting shall be held 416 within 45 miles of the condominium property. However, such 417 distance requirement does not apply to an association governing 418 a timeshare condominium.

419 2. Unless the bylaws provide otherwise, a vacancy on the420 board caused by the expiration of a director's term shall be

Page 15 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

CS/CS/CS/HB73, Engrossed 1

421 filled by electing a new board member, and the election must be 422 by secret ballot. An election is not required if the number of 423 vacancies equals or exceeds the number of candidates. For 424 purposes of this paragraph, the term "candidate" means an 425 eligible person who has timely submitted the written notice, as 426 described in sub-subparagraph 4.a., of his or her intention to 427 become a candidate. Except in a timeshare condominium, or if the 428 staggered term of a board member does not expire until a later 429 annual meeting, or if all members' terms would otherwise expire 430 but there are no candidates, the terms of all board members 431 expire at the annual meeting, and such members may stand for 432 reelection unless prohibited by the bylaws. If the bylaws or 433 articles of incorporation permit staggered terms of no more than 434 2 years and upon approval of a majority of the total voting 435 interests, the association board members may serve 2-year 436 staggered terms. If the number of board members whose terms 437 expire at the annual meeting equals or exceeds the number of candidates, the candidates become members of the board effective 438 439 upon the adjournment of the annual meeting. Unless the bylaws 440 provide otherwise, any remaining vacancies shall be filled by the affirmative vote of the majority of the directors making up 441 442 the newly constituted board even if the directors constitute 443 less than a quorum or there is only one director. In a 444 condominium association of more than 10 units or in a 445 condominium association that does not include timeshare units or 446 timeshare interests, coowners of a unit may not serve as members of the board of directors at the same time unless they own more 447 than one unit or unless there are not enough eligible candidates 448

Page 16 of 74

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

hb0073-04-e1

CS/CS/CS/HB73, Engrossed 1

449 to fill the vacancies on the board at the time of the vacancy. 450 Any unit owner desiring to be a candidate for board membership 451 must comply with sub-subparagraph 4.a. and must be eligible to 452 be a candidate to serve on the board of directors at the time of 453 the deadline for submitting a notice of intent to run in order 454 to have his or her name listed as a proper candidate on the 455 ballot or to serve on the board. A person who has been suspended 456 or removed by the division under this chapter, or who is 457 delinquent in the payment of any monetary obligation due to the 458 association fee, fine, or special or regular assessment as 459 provided in paragraph (n), is not eligible to be a candidate for board membership and may not be listed on the ballot. A person 460 461 who has been convicted of any felony in this state or in a 462 United States District or Territorial Court, or who has been 463 convicted of any offense in another jurisdiction which would be 464 considered a felony if committed in this state, is not eligible 465 for board membership unless such felon's civil rights have been 466 restored for at least 5 years as of the date such person seeks 467 election to the board. The validity of an action by the board is 468 not affected if it is later determined that a board member is 469 ineligible for board membership due to having been convicted of 470 a felony.

3. The bylaws must provide the method of calling meetings of unit owners, including annual meetings. Written notice must include an agenda, must be mailed, hand delivered, or electronically transmitted to each unit owner at least 14 days before the annual meeting, and must be posted in a conspicuous place on the condominium property at least 14 continuous days

Page 17 of 74

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

CS/CS/CS/HB73, Engrossed 1

477 before the annual meeting. Upon notice to the unit owners, the 478 board shall, by duly adopted rule, designate a specific location 479 on the condominium property or association property where all 480 notices of unit owner meetings shall be posted. This requirement 481 does not apply if there is no condominium property or association property for posting notices. In lieu of, or in 482 483 addition to, the physical posting of meeting notices, the 484 association may, by reasonable rule, adopt a procedure for 485 conspicuously posting and repeatedly broadcasting the notice and 486 the agenda on a closed-circuit cable television system serving 487 the condominium association. However, if broadcast notice is used in lieu of a notice posted physically on the condominium 488 489 property, the notice and agenda must be broadcast at least four 490 times every broadcast hour of each day that a posted notice is 491 otherwise required under this section. If broadcast notice is 492 provided, the notice and agenda must be broadcast in a manner 493 and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the 494 495 entire content of the notice and the agenda. Unless a unit owner 496 waives in writing the right to receive notice of the annual 497 meeting, such notice must be hand delivered, mailed, or 498 electronically transmitted to each unit owner. Notice for meetings and notice for all other purposes must be mailed to 499 500 each unit owner at the address last furnished to the association 501 by the unit owner, or hand delivered to each unit owner. 502 However, if a unit is owned by more than one person, the 503 association must provide notice to the address that the 504 developer identifies for that purpose and thereafter as one or

Page 18 of 74

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

hb0073-04-e1

CS/CS/CS/HB73, Engrossed 1

505 more of the owners of the unit advise the association in 506 writing, or if no address is given or the owners of the unit do 507 not agree, to the address provided on the deed of record. An 508 officer of the association, or the manager or other person 509 providing notice of the association meeting, must provide an 510 affidavit or United States Postal Service certificate of 511 mailing, to be included in the official records of the 512 association affirming that the notice was mailed or hand 513 delivered in accordance with this provision.

4. The members of the board shall be elected by written ballot or voting machine. Proxies may not be used in electing the board in general elections or elections to fill vacancies caused by recall, resignation, or otherwise, unless otherwise provided in this chapter. <u>This subparagraph does not apply to an</u> association governing a timeshare condominium.

520 At least 60 days before a scheduled election, the a. 521 association shall mail, deliver, or electronically transmit, by 522 separate association mailing or included in another association 523 mailing, delivery, or transmission, including regularly 524 published newsletters, to each unit owner entitled to a vote, a 525 first notice of the date of the election. Any unit owner or 526 other eligible person desiring to be a candidate for the board 527 must give written notice of his or her intent to be a candidate 528 to the association at least 40 days before a scheduled election. 529 Together with the written notice and agenda as set forth in 530 subparagraph 3., the association shall mail, deliver, or 531 electronically transmit a second notice of the election to all unit owners entitled to vote, together with a ballot that lists 532

Page 19 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

hb0073-04-e1



CS/CS/CS/HB73, Engrossed 1

533 all candidates. Upon request of a candidate, an information 534 sheet, no larger than 8 1/2 inches by 11 inches, which must be 535 furnished by the candidate at least 35 days before the election, 536 must be included with the mailing, delivery, or transmission of 537 the ballot, with the costs of mailing, delivery, or electronic 538 transmission and copying to be borne by the association. The 539 association is not liable for the contents of the information 540 sheets prepared by the candidates. In order to reduce costs, the 541 association may print or duplicate the information sheets on 542 both sides of the paper. The division shall by rule establish 543 voting procedures consistent with this sub-subparagraph, including rules establishing procedures for giving notice by 544 545 electronic transmission and rules providing for the secrecy of 546 ballots. Elections shall be decided by a plurality of ballots 547 cast. There is no quorum requirement; however, at least 20 percent of the eligible voters must cast a ballot in order to 548 549 have a valid election. A unit owner may not permit any other 550 person to vote his or her ballot, and any ballots improperly 551 cast are invalid. A unit owner who violates this provision may 552 be fined by the association in accordance with s. 718.303. A 553 unit owner who needs assistance in casting the ballot for the 554 reasons stated in s. 101.051 may obtain such assistance. The 555 regular election must occur on the date of the annual meeting. 556 Notwithstanding this sub-subparagraph, an election is not 557 required unless more candidates file notices of intent to run or 558 are nominated than board vacancies exist.

559 b. Within 90 days after being elected or appointed to the 560 board, each newly elected or appointed director shall certify in

Page 20 of 74

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

hb0073-04-e1

CS/CS/CS/HB73, Engrossed 1

561 writing to the secretary of the association that he or she has 562 read the association's declaration of condominium, articles of 563 incorporation, bylaws, and current written policies; that he or 564 she will work to uphold such documents and policies to the best 565 of his or her ability; and that he or she will faithfully 566 discharge his or her fiduciary responsibility to the 567 association's members. In lieu of this written certification, 568 within 90 days after being elected or appointed to the board, 569 the newly elected or appointed director may submit a certificate 570 of having satisfactorily completed the educational curriculum 571 administered by a division-approved condominium education 572 provider within 1 year before or 90 days after the date of election or appointment. The written certification or 573 574 educational certificate is valid and does not have to be 575 resubmitted as long as the director serves on the board without 576 interruption. A director who fails to timely file the written 577 certification or educational certificate is suspended from service on the board until he or she complies with this sub-578 579 subparagraph. The board may temporarily fill the vacancy during 580 the period of suspension. The secretary shall cause the 581 association to retain a director's written certification or 582 educational certificate for inspection by the members for 5 583 years after a director's election or the duration of the 584 director's uninterrupted tenure, whichever is longer. Failure to 585 have such written certification or educational certificate on 586 file does not affect the validity of any board action. 587 Any challenge to the election process must be commenced с. 588 within 60 days after the election results are announced.

Page 21 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

CS/CS/CS/HB73, Engrossed 1

589 5. Any approval by unit owners called for by this chapter 590 or the applicable declaration or bylaws, including, but not 591 limited to, the approval requirement in s. 718.111(8), must be 592 made at a duly noticed meeting of unit owners and is subject to 593 all requirements of this chapter or the applicable condominium 594 documents relating to unit owner decisionmaking, except that 595 unit owners may take action by written agreement, without 596 meetings, on matters for which action by written agreement 597 without meetings is expressly allowed by the applicable bylaws or declaration or any law that provides for such action. 598

599 Unit owners may waive notice of specific meetings if 6. 600 allowed by the applicable bylaws or declaration or any law. If 601 authorized by the bylaws, notice of meetings of the board of administration, unit owner meetings, except unit owner meetings 602 603 called to recall board members under paragraph (j), and 604 committee meetings may be given by electronic transmission to 605 unit owners who consent to receive notice by electronic 606 transmission.

607 7. Unit owners have the right to participate in meetings
608 of unit owners with reference to all designated agenda items.
609 However, the association may adopt reasonable rules governing
610 the frequency, duration, and manner of unit owner participation.

8. A unit owner may tape record or videotape a meeting of
the unit owners subject to reasonable rules adopted by the
division.

9. Unless otherwise provided in the bylaws, any vacancy
occurring on the board before the expiration of a term may be
filled by the affirmative vote of the majority of the remaining

Page 22 of 74

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

hb0073-04-e1

633

CS/CS/CS/HB73, Engrossed 1

617 directors, even if the remaining directors constitute less than 618 a quorum, or by the sole remaining director. In the alternative, 619 a board may hold an election to fill the vacancy, in which case 620 the election procedures must conform to sub-subparagraph 4.a. 621 unless the association governs 10 units or fewer and has opted out of the statutory election process, in which case the bylaws 622 623 of the association control. Unless otherwise provided in the 624 bylaws, a board member appointed or elected under this section 625 shall fill the vacancy for the unexpired term of the seat being 626 filled. Filling vacancies created by recall is governed by 627 paragraph (j) and rules adopted by the division.

10. This chapter does not limit the use of general or limited proxies, require the use of general or limited proxies, or require the use of a written ballot or voting machine for any agenda item or election at any meeting of a timeshare condominium association.

634 Notwithstanding subparagraph (b)2. and sub-subparagraph 4.a., an 635 association of 10 or fewer units may, by affirmative vote of a 636 majority of the total voting interests, provide for different 637 voting and election procedures in its bylaws, which may be by a 638 proxy specifically delineating the different voting and election procedures. The different voting and election procedures may 639 640 provide for elections to be conducted by limited or general 641 proxy.

(j) Recall of board members.-Subject to the provisions of
s. 718.301, any member of the board of administration may be
recalled and removed from office with or without cause by the

Page 23 of 74

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

CS/CS/CS/HB73, Engrossed 1

645 vote or agreement in writing by a majority of all the voting 646 interests. A special meeting of the unit owners to recall a 647 member or members of the board of administration may be called 648 by 10 percent of the voting interests giving notice of the 649 meeting as required for a meeting of unit owners, and the notice shall state the purpose of the meeting. Electronic transmission 650 651 may not be used as a method of giving notice of a meeting called 652 in whole or in part for this purpose.

653 If the recall is approved by a majority of all voting 1. 654 interests by a vote at a meeting, the recall will be effective 655 as provided in this paragraph herein. The board shall duly 656 notice and hold a board meeting within 5 full business days 657 after of the adjournment of the unit owner meeting to recall one 658 or more board members. At the meeting, the board shall either 659 certify the recall, in which case such member or members shall 660 be recalled effective immediately and shall turn over to the 661 board within 5 full business days any and all records and 662 property of the association in their possession, or shall 663 proceed as set forth in subparagraph 3.

664 If the proposed recall is by an agreement in writing by 2. 665 a majority of all voting interests, the agreement in writing or 666 a copy thereof shall be served on the association by certified 667 mail or by personal service in the manner authorized by chapter 668 48 and the Florida Rules of Civil Procedure. The board of 669 administration shall duly notice and hold a meeting of the board 670 within 5 full business days after receipt of the agreement in writing. At the meeting, the board shall either certify the 671 written agreement to recall a member or members of the board, in 672

Page 24 of 74

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

hb0073-04-e1

CS/CS/CS/HB73, Engrossed 1

673 which case such member or members shall be recalled effective 674 immediately and shall turn over to the board within 5 full 675 business days any and all records and property of the 676 association in their possession, or proceed as described in 677 subparagraph 3.

If the board determines not to certify the written 678 3. 679 agreement to recall a member or members of the board, or does 680 not certify the recall by a vote at a meeting, the board shall, 681 within 5 full business days after the meeting, file with the 682 division a petition for arbitration pursuant to the procedures 683 in s. 718.1255. For the purposes of this section, the unit 684 owners who voted at the meeting or who executed the agreement in 685 writing shall constitute one party under the petition for 686 arbitration. If the arbitrator certifies the recall as to any 687 member or members of the board, the recall will be effective 688 upon mailing of the final order of arbitration to the 689 association. If the association fails to comply with the order 690 of the arbitrator, the division may take action pursuant to s. 691 718.501. Any member or members so recalled shall deliver to the 692 board any and all records of the association in their possession 693 within 5 full business days after of the effective date of the 694 recall.

695 4. If the board fails to duly notice and hold a board 696 meeting within 5 full business days <u>after</u> of service of an 697 agreement in writing or within 5 full business days <u>after</u> of the 698 adjournment of the unit owner recall meeting, the recall shall 699 be deemed effective and the board members so recalled shall 700 immediately turn over to the board any and all records and

Page 25 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

CS/CS/CS/HB73, Engrossed 1

701 property of the association.

702 5. If the board fails to duly notice and hold the required 703 meeting or fails to file the required petition, the unit owner 704 representative may file a petition pursuant to s. 718.1255 705 challenging the board's failure to act. The petition must be 706 filed within 60 days after the expiration of the applicable 5-707 full-business-day period. The review of a petition under this 708 subparagraph is limited to the sufficiency of service on the 709 board and the facial validity of the written agreement or 710 ballots filed.

711 6.5. If a vacancy occurs on the board as a result of a 712 recall or removal and less than a majority of the board members 713 are removed, the vacancy may be filled by the affirmative vote 714 of a majority of the remaining directors, notwithstanding any 715 provision to the contrary contained in this subsection. If 716 vacancies occur on the board as a result of a recall and a 717 majority or more of the board members are removed, the vacancies 718 shall be filled in accordance with procedural rules to be 719 adopted by the division, which rules need not be consistent with 720 this subsection. The rules must provide procedures governing the 721 conduct of the recall election as well as the operation of the 722 association during the period after a recall but before prior to 723 the recall election.

724 7. A board member who has been recalled may file a 725 petition pursuant to s. 718.1255 challenging the validity of the 726 recall. The petition must be filed within 60 days after the 727 recall is deemed certified. The association and the unit owner 728 representative shall be named as the respondents.

Page 26 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

CS/CS/CS/HB73, Engrossed 1

729	8. The division may not accept for filing a recall
730	petition, whether filed pursuant to subparagraph 1.,
731	subparagraph 2., subparagraph 5., or subparagraph 7. and
732	regardless of whether the recall was certified, when there are
733	60 or fewer days until the scheduled reelection of the board
734	member sought to be recalled or when 60 or fewer days have
735	elapsed since the election of the board member sought to be
736	recalled.
737	Section 4. Subsection (5) of section 718.113, Florida
738	Statutes, is amended to read:
739	718.113 Maintenance; limitation upon improvement; display
740	of flag; hurricane shutters and protection; display of religious
741	decorations
742	(5) Each board of administration shall adopt hurricane
743	shutter specifications for each building within each condominium
744	operated by the association which shall include color, style,
745	and other factors deemed relevant by the board. All
746	specifications adopted by the board must comply with the
747	applicable building code.
748	(a) The board may, subject to the provisions of s.
749	718.3026 $_{m{ au}}$ and the approval of a majority of voting interests of
750	the condominium, install hurricane shutters, impact glass <u>,</u> or
751	other code-compliant windows <u>or doors</u> , or <u>other types of code-</u>
752	<u>compliant</u> hurricane protection that <u>comply</u> complies with or
753	<u>exceed</u> exceeds the applicable building code. However, a vote of
754	the owners is not required if the maintenance, repair, and
755	replacement of hurricane shutters, impact glass, or other code-
756	compliant windows or doors, or other types of code-compliant
I	

Page 27 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

CS/CS/CS/HB73, Engrossed 1

757 hurricane protection are the responsibility of the association 758 pursuant to the declaration of condominium. If hurricane 759 protection or laminated glass or window film architecturally 760 designed to function as hurricane protection that which complies 761 with or exceeds the current applicable building code has been 762 previously installed, the board may not install hurricane 763 shutters, hurricane protection, or impact glass, or other codecompliant windows or doors, or other types of code-compliant 764 765 hurricane protection except upon approval by a majority vote of 766 the voting interests.

767 The association is responsible for the maintenance, (b) 768 repair, and replacement of the hurricane shutters, impact glass, 769 code-compliant windows or doors, or other types of code-770 compliant hurricane protection authorized by this subsection if 771 such property hurricane shutters or other hurricane protection 772 is the responsibility of the association pursuant to the 773 declaration of condominium. If the hurricane shutters, impact 774 glass, code-compliant windows or doors, or other types of code-775 compliant hurricane protection authorized by this subsection are 776 the responsibility of the unit owners pursuant to the 777 declaration of condominium, the maintenance, repair, and 778 replacement of such items are the responsibility of the unit 779 owner.

(c) The board may operate shutters, impact glass, code <u>compliant windows or doors</u>, or other types of code-compliant
 <u>hurricane protection</u> installed pursuant to this subsection
 without permission of the unit owners only if such operation is
 necessary to preserve and protect the condominium property and

Page 28 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

hb0073-04-e1

FLORIDA HOUSE OF REPRESENTATIVES



CS/CS/CS/HB73, Engrossed 1

association property. The installation, replacement, operation, repair, and maintenance of such shutters, impact glass, codecompliant windows or doors, or other types of code-compliant hurricane protection in accordance with the procedures set forth in this paragraph are not a material alteration to the common elements or association property within the meaning of this section.

(d) Notwithstanding any other provision in the condominium documents, if approval is required by the documents, a board may not refuse to approve the installation or replacement of hurricane shutters, impact glass, code-compliant windows or doors, or other types of code-compliant hurricane protection by a unit owner conforming to the specifications adopted by the board.

Section 5. Paragraph (e) of subsection (1) of section718.115, Florida Statutes, is amended to read:

718.115 Common expenses and common surplus.-

802 (1)

801

803 (e) The expense of installation, replacement, operation, 804 repair, and maintenance of hurricane shutters, impact glass, 805 code-compliant windows or doors, or other types of code-806 compliant hurricane protection by the board pursuant to s. 807 718.113(5) constitutes shall constitute a common expense as 808 defined herein and shall be collected as provided in this 809 section if the association is responsible for the maintenance, 810 repair, and replacement of the hurricane shutters, impact glass, 811 code-compliant windows or doors, or other types of code-812 compliant hurricane protection pursuant to the declaration of

```
Page 29 of 74
```

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

CS/CS/CS/HB73, Engrossed 1

813 condominium. However, if the maintenance, repair, and 814 replacement of the hurricane shutters, impact glass, code-815 compliant windows or doors, or other types of code-compliant 816 hurricane protection are is the responsibility of the unit 817 owners pursuant to the declaration of condominium, the cost of the installation of the hurricane shutters, impact glass, code-818 819 compliant windows or doors, or other types of code-compliant 820 hurricane protection is shall not be a common expense and, but 821 shall be charged individually to the unit owners based on the 822 cost of installation of the hurricane shutters, impact glass, 823 code-compliant windows or doors, or other types of code-824 compliant hurricane protection appurtenant to the unit. 825 Notwithstanding the provisions of s. 718.116(9), and regardless 826 of whether or not the declaration requires the association or 827 unit owners to maintain, repair, or replace hurricane shutters, 828 impact glass, code-compliant windows or doors, or other types of 829 code-compliant hurricane protection, a unit owner who has 830 previously installed hurricane shutters in accordance with s. 831 718.113(5) that comply with the current applicable building code 832 shall receive a credit when the shutters are installed; a unit 833 owner who has previously installed impact glass or code-834 compliant windows or doors that comply with the current 835 applicable building code shall receive a credit when the impact 836 glass or code-compliant windows or doors are installed; and a 837 unit owner who has installed, other types of code-compliant 838 hurricane protection that comply with the current applicable 839 building code shall receive a credit when the same type of other 840 code-compliant hurricane protection is installed, and the or

Page 30 of 74

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

CS/CS/CS/HB73, Engrossed 1

2013

841 laminated glass architecturally designed to function as 842 hurricane protection, which hurricane shutters or other 843 hurricane protection or laminated glass comply with the current 844 applicable building code, shall receive a credit shall be equal 845 to the pro rata portion of the assessed installation cost assigned to each unit. However, such unit owner remains shall 846 847 remain responsible for the pro rata share of expenses for 848 hurricane shutters, impact glass, code-compliant windows or 849 doors, or other types of code-compliant hurricane protection 850 installed on common elements and association property by the 851 board pursuant to s. 718.113(5) $_{\tau}$ and remains shall remain 852 responsible for a pro rata share of the expense of the 853 replacement, operation, repair, and maintenance of such shutters, impact glass, code-compliant windows or doors, or 854 855 other types of code-compliant hurricane protection.

856 Section 6. Paragraph (a) of subsection (3) of section857 718.303, Florida Statutes, is amended to read:

858

718.303 Obligations of owners and occupants; remedies.-

859 The association may levy reasonable fines for the (3) 860 failure of the owner of the unit or its occupant, licensee, or 861 invitee to comply with any provision of the declaration, the 862 association bylaws, or reasonable rules of the association. A 863 fine may not become a lien against a unit. A fine may be levied 864 on the basis of each day of a continuing violation, with a 865 single notice and opportunity for hearing. However, the fine may 866 not exceed \$100 per violation, or \$1,000 in the aggregate.

867 (a) An association may suspend, for a reasonable period of868 time, the right of a unit owner, or a unit owner's tenant,

Page 31 of 74

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

CS/CS/CS/HB73, Engrossed 1

869	guest, or invitee, to use the common elements, common
870	facilities, or any other association property for failure to
871	comply with any provision of the declaration, the association
872	bylaws, or reasonable rules of the association. This paragraph
873	does not apply to limited common elements intended to be used
874	only by that unit, common elements needed to access the unit,
875	utility services provided to the unit, parking spaces, or
876	elevators.
877	Section 7. Subsection (1) of section 718.403, Florida
878	Statutes, is amended to read:
879	718.403 Phase condominiums
880	(1) Notwithstanding the provisions of s. 718.110, a
881	developer may develop a condominium in phases, if the original
882	declaration of condominium submitting the initial phase to
883	condominium ownership or an amendment to the declaration which
884	has been approved by all of the unit owners and unit mortgagees
885	provides for and describes in detail all anticipated phases; the
886	impact, if any, which the completion of subsequent phases would
887	have upon the initial phase; and the time period (which may not
888	exceed 7 years from the date of recording the declaration of
889	condominium) within which all phases must be added to the
890	condominium and comply with the requirements of this section and
891	at the end of which the right to add additional phases expires.
892	(a) All phases must be added to the condominium within 7
893	years after the date of recording the original declaration of
894	condominium submitting the initial phase to condominium
895	ownership unless an amendment extending the 7-year period is
896	approved by the unit owners.
I	Page 32 of 74

Page 32 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

CS/CS/CS/HB73, Engrossed 1

897	(b) An amendment to extend the 7-year period requires the
898	approval of the owners necessary to amend the declaration of
899	condominium consistent with s. 718.110(1)(a). An extension of
900	the 7-year period may be submitted for approval only during the
901	last 3 years of the 7-year period.
902	(c) An amendment must describe the period within which all
903	phases must be added to the condominium and such period may not
904	exceed 10 years after the date of recording the original
905	declaration of condominium submitting the initial phase to
906	condominium ownership.
907	(d) Notwithstanding s. 718.110, an amendment extending the
908	7-year period is not an amendment subject to s. 718.110(4).
909	Section 8. Section 718.406, Florida Statutes, is created
910	to read:
911	718.406 Condominiums created within condominium parcels
912	(1) Unless otherwise expressed in the declaration of
913	condominium, if a condominium is created within a condominium
914	parcel, the term:
915	(a) "Primary condominium" means any condominium that is
916	not a secondary condominium and contains one or more subdivided
917	parcels.
918	(b) "Primary condominium association" means any entity
919	that operates a primary condominium.
920	(c) "Primary condominium declaration" means the instrument
921	or instruments by which a primary condominium is created, as
922	they are from time to time amended.
923	(d) "Secondary condominium" means one or more condominium
924	parcels that have been submitted to condominium ownership
ļ	Page 33 of 74

Page 33 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

CS/CS/CS/HB73, Engrossed 1

925 pursuant to a secondary condominium declaration. 926 "Secondary condominium association" means any entity (e) 927 responsible for the operation of a secondary condominium. 928 "Secondary condominium declaration" means the (f) 929 instrument or instruments by which a secondary condominium is 930 created, as they are from time to time amended. "Secondary unit" means a unit that is part of a 931 (g) 932 secondary condominium. "Subdivided parcel" means a condominium parcel in a 933 (h) 934 primary condominium that has been submitted to condominium 935 ownership pursuant to a secondary condominium declaration. 936 (2) Unless otherwise provided in the primary condominium declaration, if a condominium parcel is a subdivided parcel, the 937 938 secondary condominium association responsible for operating the 939 secondary condominium upon the subdivided parcel shall act on 940 behalf of all of the unit owners of secondary units in the 941 secondary condominium and shall exercise all rights of the 942 secondary unit owners in the primary condominium association, 943 other than the right of possession of the secondary unit. The 944 secondary condominium association shall designate a 945 representative who shall cast the vote of the subdivided parcel in the primary condominium association and, if no person is 946 designated by the secondary condominium association to cast such 947 948 vote, the vote shall be cast by the president of the secondary 949 condominium association or the designee of the president. 950 (3) Unless otherwise provided in the primary condominium 951 declaration as originally recorded, no secondary condominium may 952 be created upon any condominium parcel in the primary

Page 34 of 74

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

CS/CS/CS/HB73, Engrossed 1

2013

953	condominium, and no amendment to the primary condominium
954	declaration may permit secondary condominiums to be created upon
955	parcels in the primary condominium, unless the record owners of
956	a majority of the condominium parcels join in the execution of
957	the amendment.
958	(4) If the primary condominium declaration permits the
959	creation of a secondary condominium and a condominium parcel in
960	the primary condominium is being submitted for condominium
961	ownership to create a secondary condominium upon the primary
962	condominium parcel, the approval of the board of administration
963	of the primary condominium association is required in order to
964	create the secondary condominium on the primary condominium
965	parcel. Unless otherwise provided in the primary condominium
966	declaration, the owners of condominium parcels in the primary
967	condominium that will not be part of the proposed secondary
968	condominium and the holders of liens upon such primary
969	condominium parcels shall not have approval rights regarding the
970	creation of the secondary condominium or the contents of the
971	secondary condominium declaration being submitted. Only the
972	board of administration of the primary condominium association,
973	the owner of the subdivided parcel, and the holders of liens
974	upon the subdivided parcel shall have approval rights regarding
975	the creation of the secondary condominium and the contents of
976	the secondary condominium declaration. In order for the
977	recording of the secondary condominium declaration to be
978	effective to create the secondary condominium, the board of
979	administration of the primary condominium association, the owner
980	of the subdivided parcel, and all holders of liens on the
I	Page 35 of 7/

Page 35 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

CS/CS/CS/HB73, Engrossed 1

981	subdivided parcel must execute the secondary condominium
982	declaration for the purpose of evidencing their approval.
983	(5) An owner of a secondary unit is subject to both the
984	primary condominium declaration and the secondary condominium
985	declaration.
986	(6) The primary condominium association may provide
987	insurance required by s. 718.111(11) for common elements and
988	other improvements within the secondary condominium if the
989	primary condominium declaration permits the primary condominium
990	association to provide such insurance for the benefit of the
991	condominium property included in the subdivided parcel, in lieu
992	of such insurance being provided by the secondary condominium
993	association.
994	(7) Unless otherwise provided in the primary condominium
995	declaration, the board of administration of the primary
996	condominium association may adopt hurricane shutter or hurricane
997	protection specifications for each building within which
998	subdivided parcels are located and govern any subdivided parcels
999	in the primary condominium.
1000	(8) Any unit owner of, or holder of a first mortgage on, a
1001	secondary unit may register such unit owner's or mortgagee's
1002	interest in the secondary unit with the primary condominium
1003	association by delivering written notice to the primary
1004	condominium association. Once registered, the primary
1005	condominium association must provide written notice to such
1006	secondary unit owner and his, her, or its first mortgagee at
1007	least 30 days before instituting any foreclosure action against
1008	the subdivided parcel in which the secondary unit owner and his,
ļ	Page 36 of 7/

Page 36 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.
CS/CS/CS/HB73, Engrossed 1

1009 her, or its first mortgagee hold an interest for failure of the 1010 subdivided parcel owner to pay any assessments or other amounts 1011 due to the primary condominium association. A foreclosure action 1012 against a subdivided parcel is not effective without an 1013 affidavit indicating that written notice of the foreclosure was timely sent to the names and addresses of secondary unit owners 1014 1015 and first mortgagees registered with the primary condominium 1016 association pursuant to this subsection. The registered 1017 secondary unit owner or mortgagee has a right to pay the 1018 proportionate amount of the delinquent assessment attributable 1019 to the secondary unit in which the registered unit owner or mortgagee holds an interest. Upon such payment, the primary 1020 1021 condominium association is obligated to promptly modify or 1022 partially release the record of lien on the primary condominium 1023 association so that the lien no longer encumbers such secondary 1024 unit. Alternatively, a registered secondary unit owner or 1025 mortgagee may pay the amount of all delinquent assessments 1026 attributed to the subdivided parcel and seek reimbursement for 1027 all such amounts paid and all costs incurred from the secondary condominium association, including, without limitation, the 1028 1029 costs of collection other than the share allocable to the 1030 secondary unit on behalf of which such payment was made. 1031 In the event of a conflict between the primary (9) 1032 condominium declaration and the secondary condominium 1033 declaration, the primary condominium declaration controls. 1034 (10) All common expenses due to the primary condominium association with respect to a subdivided parcel are a common 1035 1036 expense of the secondary condominium association and shall be

Page 37 of 74

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

CS/CS/CS/HB73, Engrossed 1

1037 collected by the secondary condominium association from its 1038 members and paid to the primary condominium association. 1039 Section 9. Subsection (2) of section 718.5011, Florida 1040 Statutes, is amended to read: 1041 718.5011 Ombudsman; appointment; administration.-1042 The Governor shall appoint the ombudsman. The (2)1043 ombudsman must be an attorney admitted to practice before the 1044 Florida Supreme Court and shall serve at the pleasure of the 1045 Governor. A vacancy in the office shall be filled in the same 1046 manner as the original appointment. An officer or full-time 1047 employee of the ombudsman's office may not actively engage in

any other business or profession that directly or indirectly 1048 1049 relates to or conflicts with his or her work in the ombudsman's 1050 office; serve as the representative of any political party, 1051 executive committee, or other governing body of a political party; serve as an executive, officer, or employee of a 1052 1053 political party; receive remuneration for activities on behalf 1054 of any candidate for public office; or engage in soliciting 1055 votes or other activities on behalf of a candidate for public 1056 office. The ombudsman or any employee of his or her office may 1057 not become a candidate for election to public office unless he 1058 or she first resigns from his or her office or employment.

1059 Section 10. Paragraphs (b) and (c) of subsection (2) of 1060 section 719.104, Florida Statutes, are amended to read:

1061 719.104 Cooperatives; access to units; records; financial 1062 reports; assessments; purchase of leases.-

1063 (2) OFFICIAL RECORDS.-

(b)

1064

Page 38 of 74

The official records of the association must shall be

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

CS/CS/CS/HB73, Engrossed 1

1065 maintained within the state for at least 7 years. The records of 1066 the association shall be made available to a unit owner within 1067 45 miles of the cooperative property or within the county in 1068 which the cooperative property is located within 5 working days 1069 after receipt of written request by the board or its designee. 1070 This paragraph may be complied with by having a copy of the official records of the association available for inspection or 1071 1072 copying on the cooperative property or the association may offer 1073 the option of making the records available to a unit owner 1074 electronically via the Internet or by allowing the records to be 1075 viewed in an electronic format on a computer screen and printed upon request. The association is not responsible for the use or 1076 1077 misuse of the information provided to an association member or 1078 his or her authorized representative pursuant to the compliance 1079 requirements of this chapter unless the association has an affirmative duty not to disclose such information pursuant to 1080 1081 this chapter.

1082 The official records of the association are shall be (C) 1083 open to inspection by any association member or the authorized 1084 representative of such member at all reasonable times. Failure 1085 to permit inspection of the association records as provided 1086 herein entitles any person prevailing in an enforcement action to recover reasonable attorney's fees from the person in control 1087 1088 of the records who, directly or indirectly, knowingly denies 1089 access to the records for inspection. The right to inspect the 1090 records includes the right to make or obtain copies, at the reasonable expense, if any, of the association member. The 1091 association may adopt reasonable rules regarding the frequency, 1092

Page 39 of 74

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

hb0073-04-e1



CS/CS/CS/HB73, Engrossed 1

1093 time, location, notice, and manner of record inspections and 1094 copying. The failure of an association to provide the records 1095 within 10 working days after receipt of a written request 1096 creates a rebuttable presumption that the association willfully 1097 failed to comply with this paragraph. A unit owner who is denied access to official records is entitled to the actual damages or 1098 1099 minimum damages for the association's willful failure to comply 1100 with this paragraph. The minimum damages are shall be \$50 per 1101 calendar day for up to 10 days, beginning the calculation to 1102 begin on the 11th working day after receipt of the written 1103 request. The failure to permit inspection entitles any person prevailing in an enforcement action to recover reasonable 1104 attorney fees from the person in control of the records who, 1105 directly or indirectly, knowingly denied access to the records. 1106 1107 Any person who knowingly or intentionally defaces or destroys accounting records that are required by this chapter to be 1108 1109 maintained during the period for which such records are required 1110 to be maintained, or who knowingly or intentionally fails to 1111 create or maintain accounting records that are required to be created or maintained, with the intent of causing harm to the 1112 association or one or more of its members, is personally subject 1113 to a civil penalty pursuant to s. 719.501(1)(d). The association 1114 shall maintain an adequate number of copies of the declaration, 1115 1116 articles of incorporation, bylaws, and rules, and all amendments 1117 to each of the foregoing, as well as the question and answer 1118 sheet as described provided for in s. 719.504 and year-end financial information required by the department, on the 1119 cooperative property to ensure their availability to unit owners 1120

Page 40 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

hb0073-04-e1

CS/CS/CS/HB73, Engrossed 1

1121 and prospective purchasers, and may charge its actual costs for 1122 preparing and furnishing these documents to those requesting the 1123 same. An association shall allow a member or his or her 1124 authorized representative to use a portable device, including a smartphone, tablet, portable scanner, or any other technology 1125 capable of scanning or taking photographs, to make an electronic 1126 1127 copy of the official records in lieu of the association 1128 providing the member or his or her authorized representative 1129 with a copy of such records. The association may not charge a 1130 member or his or her authorized representative for the use of a 1131 portable device. Notwithstanding the provisions of this 1132 paragraph, the following records shall not be accessible to unit 1133 owners:

1134 Any record protected by the lawyer-client privilege as 1. 1135 described in s. 90.502 and any record protected by the workproduct privilege, including any record A record that was 1136 1137 prepared by an association attorney or prepared at the 1138 attorney's express direction which; that reflects a mental 1139 impression, conclusion, litigation strategy, or legal theory of the attorney or the association, and which; or that was prepared 1140 exclusively for civil or criminal litigation or for adversarial 1141 administrative proceedings, or which was prepared in 1142 1143 anticipation of such imminent civil or criminal litigation or 1144 imminent adversarial administrative proceedings, until the conclusion of the litigation or adversarial administrative 1145 proceedings. 1146

1147 2. Information obtained by an association in connection 1148 with the approval of the lease, sale, or other transfer of a

Page 41 of 74

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

CS/CS/CS/HB73, Engrossed 1

1149 unit. 1150 3. Personnel records of association or management company 1151 employees, including, but not limited to, disciplinary, payroll, 1152 health, and insurance records. For purposes of this 1153 subparagraph, the term "personnel records" does not include 1154 written employment agreements with an association employee or 1155 management company, or budgetary or financial records that 1156 indicate the compensation paid to an association employee. 1157 4.3. Medical records of unit owners. 1158 5. Social security numbers, driver license numbers, credit 1159 card numbers, e-mail addresses, telephone numbers, facsimile 1160 numbers, emergency contact information, addresses of a unit 1161 owner other than as provided to fulfill the association's notice 1162 requirements, and other personal identifying information of any 1163 person, excluding the person's name, unit designation, mailing 1164 address, property address, and any address, e-mail address, or 1165 facsimile number provided to the association to fulfill the 1166 association's notice requirements. Notwithstanding the 1167 restrictions in this subparagraph, an association may print and 1168 distribute to parcel owners a directory containing the name, 1169 parcel address, and telephone number of each parcel owner. However, an owner may exclude his or her telephone number from 1170 1171 the directory by so requesting in writing to the association. 1172 The association is not liable for the inadvertent disclosure of 1173 information that is protected under this subparagraph if the 1174 information is included in an official record of the association and is voluntarily provided by an owner and not requested by the 1175 1176 association.

Page 42 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

CS/CS/CS/HB73, Engrossed 1

1177	6. Electronic security measures that are used by the
1178	association to safeguard data, including passwords.
1179	7. The software and operating system used by the
1180	association which allow the manipulation of data, even if the
1181	owner owns a copy of the same software used by the association.
1182	The data is part of the official records of the association.
1183	Section 11. Subsection (7) is added to section 719.1055,
1184	Florida Statutes, to read:
1185	719.1055 Amendment of cooperative documents; alteration
1186	and acquisition of property
1187	(7) The Legislature finds that the procurement of
1188	mortgagee consent to amendments that do not affect the rights or
1189	interests of mortgagees is an unreasonable and substantial
1190	logistical and financial burden on the unit owners and that
1191	there is a compelling state interest in enabling the members of
1192	an association to approve amendments to the association's
1193	cooperative documents through legal means. Accordingly, and
1194	notwithstanding any provision of this subsection to the
1195	contrary:
1196	(a) As to any mortgage recorded on or after July 1, 2013,
1197	any provision in the association's cooperative documents that
1198	requires the consent or joinder of some or all mortgagees of
1199	units or any other portion of the association's common areas to
1200	amend the association's cooperative documents or for any other
1201	matter is enforceable only as to amendments to the association's
1202	cooperative documents that adversely affect the priority of the
1203	mortgagee's lien or the mortgagee's rights to foreclose its lien

Page 43 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

CS/CS/CS/HB73, Engrossed 1

1204 or that otherwise materially affect the rights and interests of 1205 the mortgagees. 1206 (b) As to mortgages recorded before July 1, 2013, any 1207 existing provisions in the association's cooperative documents 1208 requiring mortgagee consent are enforceable. 1209 (c) In securing consent or joinder, the association is 1210 entitled to rely upon the public records to identify the holders 1211 of outstanding mortgages. The association may use the address 1212 provided in the original recorded mortgage document, unless 1213 there is a different address for the holder of the mortgage in a 1214 recorded assignment or modification of the mortgage, which 1215 recorded assignment or modification must reference the official 1216 records book and page on which the original mortgage was 1217 recorded. Once the association has identified the recorded 1218 mortgages of record, the association shall, in writing, request 1219 of each unit owner whose unit is encumbered by a mortgage of 1220 record any information that the owner has in his or her 1221 possession regarding the name and address of the person to whom 1222 mortgage payments are currently being made. Notice shall be sent 1223 to such person if the address provided in the original recorded 1224 mortgage document is different from the name and address of the 1225 mortgagee or assignee of the mortgage as shown by the public 1226 record. The association is deemed to have complied with this 1227 requirement by making the written request of the unit owners 1228 required under this paragraph. Any notices required to be sent 1229 to the mortgagees under this paragraph shall be sent to all 1230 available addresses provided to the association.

Page 44 of 74

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

CS/CS/CS/HB73, Engrossed 1

1231	(d) Any notice to the mortgagees required under paragraph	
1232	(c) may be sent by a method that establishes proof of delivery,	
1233	and any mortgagee who fails to respond within 60 days after the	
1234	date of mailing is deemed to have consented to the amendment.	
1235	(e) For those amendments requiring mortgagee consent on or	
1236	after July 1, 2013, in the event mortgagee consent is provided	
1237	other than by properly recorded joinder, such consent shall be	
1238	evidenced by affidavit of the association recorded in the public	
1239	records of the county in which the declaration is recorded.	
1240	(f) Any amendment adopted without the required consent of	
1241	a mortgagee is voidable only by a mortgagee who was entitled to	
1242	notice and an opportunity to consent. An action to void an	
1243	amendment is subject to the statute of limitations beginning 5	
1244	years after the date of discovery as to the amendments described	
1245	in paragraph (a) and 5 years after the date of recordation of	
1246	the certificate of amendment for all other amendments. This	
1247	paragraph applies to all mortgages, regardless of the date of	
1248	recordation of the mortgage.	
1249	Section 12. Paragraphs (c), (d), and (f) of subsection (1)	
1250	of section 719.106, Florida Statutes, are amended to read:	
1251	719.106 Bylaws; cooperative ownership	
1252	(1) MANDATORY PROVISIONSThe bylaws or other cooperative	
1253	documents shall provide for the following, and if they do not,	
1254	they shall be deemed to include the following:	
1255	(c) Board of administration meetingsMeetings of the	
1256	board of administration at which a quorum of the members is	
1257	present shall be open to all unit owners. Any unit owner may	
1258	tape record or videotape meetings of the board of	
I	Page 45 of 74	

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

CS/CS/CS/HB73, Engrossed 1

1259 administration. The right to attend such meetings includes the 1260 right to speak at such meetings with reference to all designated 1261 agenda items. The division shall adopt reasonable rules governing the tape recording and videotaping of the meeting. The 1262 1263 association may adopt reasonable written rules governing the frequency, duration, and manner of unit owner statements. 1264 1265 Adequate notice of all meetings shall be posted in a conspicuous 1266 place upon the cooperative property at least 48 continuous hours 1267 preceding the meeting, except in an emergency. Any item not 1268 included on the notice may be taken up on an emergency basis by 1269 at least a majority plus one of the members of the board. Such emergency action shall be noticed and ratified at the next 1270 1271 regular meeting of the board. However, written notice of any 1272 meeting at which nonemergency special assessments, or at which 1273 amendment to rules regarding unit use, will be considered shall 1274 be mailed, delivered, or electronically transmitted to the unit 1275 owners and posted conspicuously on the cooperative property not 1276 less than 14 days before prior to the meeting. Evidence of 1277 compliance with this 14-day notice shall be made by an affidavit 1278 executed by the person providing the notice and filed among the 1279 official records of the association. Upon notice to the unit 1280 owners, the board shall by duly adopted rule designate a specific location on the cooperative property upon which all 1281 1282 notices of board meetings shall be posted. In lieu of or in 1283 addition to the physical posting of notice of any meeting of the 1284 board of administration on the cooperative property, the association may, by reasonable rule, adopt a procedure for 1285 conspicuously posting and repeatedly broadcasting the notice and 1286

Page 46 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

hb0073-04-e1



CS/CS/CS/HB73, Engrossed 1

1287 the agenda on a closed-circuit cable television system serving 1288 the cooperative association. However, if broadcast notice is 1289 used in lieu of a notice posted physically on the cooperative 1290 property, the notice and agenda must be broadcast at least four 1291 times every broadcast hour of each day that a posted notice is otherwise required under this section. When broadcast notice is 1292 1293 provided, the notice and agenda must be broadcast in a manner 1294 and for a sufficient continuous length of time so as to allow an 1295 average reader to observe the notice and read and comprehend the 1296 entire content of the notice and the agenda. Notice of any 1297 meeting in which regular assessments against unit owners are to 1298 be considered for any reason shall specifically contain a 1299 statement that assessments will be considered and the nature of 1300 any such assessments. Meetings of a committee to take final 1301 action on behalf of the board or to make recommendations to the 1302 board regarding the association budget are subject to the 1303 provisions of this paragraph. Meetings of a committee that does 1304 not take final action on behalf of the board or make 1305 recommendations to the board regarding the association budget 1306 are subject to the provisions of this section, unless those 1307 meetings are exempted from this section by the bylaws of the 1308 association. Notwithstanding any other law to the contrary, the requirement that board meetings and committee meetings be open 1309 1310 to the unit owners does not apply is inapplicable to board or 1311 committee meetings held for the purpose of discussing personnel 1312 matters or meetings between the board or a committee and the association's attorney, with respect to proposed or pending 1313 litigation, if when the meeting is held for the purpose of 1314

Page 47 of 74

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

hb0073-04-e1

CS/CS/CS/HB73, Engrossed 1

1315 seeking or rendering legal advice.

1316 Shareholder meetings.-There shall be an annual meeting (d) 1317 of the shareholders. All members of the board of administration shall be elected at the annual meeting unless the bylaws provide 1318 1319 for staggered election terms or for their election at another 1320 meeting. Any unit owner desiring to be a candidate for board membership must comply with subparagraph 1. The bylaws must 1321 1322 provide the method for calling meetings, including annual 1323 meetings. Written notice, which must incorporate an 1324 identification of agenda items, shall be given to each unit 1325 owner at least 14 days before the annual meeting and posted in a 1326 conspicuous place on the cooperative property at least 14 1327 continuous days preceding the annual meeting. Upon notice to the 1328 unit owners, the board must by duly adopted rule designate a 1329 specific location on the cooperative property upon which all notice of unit owner meetings are posted. In lieu of or in 1330 1331 addition to the physical posting of the meeting notice, the 1332 association may, by reasonable rule, adopt a procedure for 1333 conspicuously posting and repeatedly broadcasting the notice and 1334 the agenda on a closed-circuit cable television system serving 1335 the cooperative association. However, if broadcast notice is 1336 used in lieu of a posted notice, the notice and agenda must be 1337 broadcast at least four times every broadcast hour of each day 1338 that a posted notice is otherwise required under this section. 1339 If broadcast notice is provided, the notice and agenda must be 1340 broadcast in a manner and for a sufficient continuous length of 1341 time to allow an average reader to observe the notice and read 1342 and comprehend the entire content of the notice and the agenda.

Page 48 of 74

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

hb0073-04-e1

CS/CS/CS/HB73, Engrossed 1

1343 Unless a unit owner waives in writing the right to receive 1344 notice of the annual meeting, the notice of the annual meeting 1345 must be sent by mail, hand delivered, or electronically 1346 transmitted to each unit owner. An officer of the association 1347 must provide an affidavit or United States Postal Service 1348 certificate of mailing, to be included in the official records 1349 of the association, affirming that notices of the association 1350 meeting were mailed, hand delivered, or electronically 1351 transmitted, in accordance with this provision, to each unit 1352 owner at the address last furnished to the association.

1353 1. The board of administration shall be elected by written 1354 ballot or voting machine. A proxy may not be used in electing 1355 the board of administration in general elections or elections to 1356 fill vacancies caused by recall, resignation, or otherwise 1357 unless otherwise provided in this chapter.

1358 a. At least 60 days before a scheduled election, the 1359 association shall mail, deliver, or transmit, whether by 1360 separate association mailing, delivery, or electronic 1361 transmission or included in another association mailing, 1362 delivery, or electronic transmission, including regularly published newsletters, to each unit owner entitled to vote, a 1363 1364 first notice of the date of the election. Any unit owner or 1365 other eligible person desiring to be a candidate for the board 1366 of administration must give written notice to the association at 1367 least 40 days before a scheduled election. Together with the 1368 written notice and agenda as set forth in this section, the association shall mail, deliver, or electronically transmit a 1369 second notice of election to all unit owners entitled to vote, 1370

Page 49 of 74

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

hb0073-04-e1

CS/CS/CS/HB73, Engrossed 1

1371 together with a ballot that which lists all candidates. Upon 1372 request of a candidate, the association shall include an 1373 information sheet, no larger than 8 1/2 inches by 11 inches, 1374 which must be furnished by the candidate at least 35 days before 1375 the election, to be included with the mailing, delivery, or electronic transmission of the ballot, with the costs of 1376 1377 mailing, delivery, or transmission and copying to be borne by 1378 the association. The association is not liable for the contents 1379 of the information sheets provided by the candidates. In order 1380 to reduce costs, the association may print or duplicate the 1381 information sheets on both sides of the paper. The division 1382 shall by rule establish voting procedures consistent with this 1383 subparagraph, including rules establishing procedures for giving 1384 notice by electronic transmission and rules providing for the 1385 secrecy of ballots. Elections shall be decided by a plurality of those ballots cast. There is no quorum requirement. However, at 1386 1387 least 20 percent of the eligible voters must cast a ballot in order to have a valid election. A unit owner may not permit any 1388 1389 other person to vote his or her ballot, and any such ballots 1390 improperly cast are invalid. A unit owner who needs assistance 1391 in casting the ballot for the reasons stated in s. 101.051 may 1392 obtain assistance in casting the ballot. Any unit owner 1393 violating this provision may be fined by the association in 1394 accordance with s. 719.303. The regular election must occur on 1395 the date of the annual meeting. This subparagraph does not apply 1396 to timeshare cooperatives. Notwithstanding this subparagraph, an election and balloting are not required unless more candidates 1397 file a notice of intent to run or are nominated than vacancies 1398

Page 50 of 74

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

hb0073-04-e1

CS/CS/CS/HB73, Engrossed 1

1399 exist on the board. Any challenge to the election process must 1400 be commenced within 60 days after the election results are 1401 announced. 1402 b. Within 90 days after being elected or appointed to the 1403 board, each new director shall certify in writing to the 1404 secretary of the association that he or she has read the 1405 association's bylaws, articles of incorporation, proprietary 1406 lease, and current written policies; that he or she will work to 1407 uphold such documents and policies to the best of his or her 1408 ability; and that he or she will faithfully discharge his or her 1409 fiduciary responsibility to the association's members. Within 90 1410 days after being elected or appointed to the board, in lieu of this written certification, the newly elected or appointed 1411 1412 director may submit a certificate of having satisfactorily 1413 completed the educational curriculum administered by an 1414 education provider as approved by the division pursuant to the 1415 requirements established in chapter 718 within 1 year before or 1416 90 days after the date of election or appointment. The 1417 educational certificate is valid and does not have to be 1418 resubmitted as long as the director serves on the board without 1419 interruption. A director who fails to timely file the written 1420 certification or educational certificate is suspended from 1421 service on the board until he or she complies with this sub-1422 subparagraph. The board may temporarily fill the vacancy during 1423 the period of suspension. The secretary of the association shall 1424 cause the association to retain a director's written certification or educational certificate for inspection by the 1425 1426 members for 5 years after a director's election or the duration

Page 51 of 74

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

CS/CS/CS/HB73, Engrossed 1

1427 <u>of the director's uninterrupted tenure, whichever is longer.</u> 1428 <u>Failure to have such written certification or educational</u> 1429 <u>certificate on file does not affect the validity of any board</u> 1430 action.

1431 Any approval by unit owners called for by this chapter, 2. 1432 or the applicable cooperative documents, must be made at a duly 1433 noticed meeting of unit owners and is subject to this chapter or 1434 the applicable cooperative documents relating to unit owner 1435 decisionmaking, except that unit owners may take action by 1436 written agreement, without meetings, on matters for which action 1437 by written agreement without meetings is expressly allowed by 1438 the applicable cooperative documents or law which provides for 1439 the unit owner action.

1440 Unit owners may waive notice of specific meetings if 3. 1441 allowed by the applicable cooperative documents or law. If authorized by the bylaws, notice of meetings of the board of 1442 1443 administration, shareholder meetings, except shareholder meetings called to recall board members under paragraph (f), and 1444 1445 committee meetings may be given by electronic transmission to 1446 unit owners who consent to receive notice by electronic 1447 transmission.

1448 4. Unit owners have the right to participate in meetings
1449 of unit owners with reference to all designated agenda items.
1450 However, the association may adopt reasonable rules governing
1451 the frequency, duration, and manner of unit owner participation.

1452 5. Any unit owner may tape record or videotape meetings of 1453 the unit owners subject to reasonable rules adopted by the 1454 division.

Page 52 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

1469

CS/CS/CS/HB73, Engrossed 1

1455 6. Unless otherwise provided in the bylaws, a vacancy 1456 occurring on the board before the expiration of a term may be 1457 filled by the affirmative vote of the majority of the remaining 1458 directors, even if the remaining directors constitute less than 1459 a quorum, or by the sole remaining director. In the alternative, a board may hold an election to fill the vacancy, in which case 1460 the election procedures must conform to the requirements of 1461 1462 subparagraph 1. unless the association has opted out of the 1463 statutory election process, in which case the bylaws of the 1464 association control. Unless otherwise provided in the bylaws, a 1465 board member appointed or elected under this subparagraph shall 1466 fill the vacancy for the unexpired term of the seat being 1467 filled. Filling vacancies created by recall is governed by 1468 paragraph (f) and rules adopted by the division.

Notwithstanding subparagraphs (b)2. and (d)1., an association may, by the affirmative vote of a majority of the total voting interests, provide for a different voting and election procedure in its bylaws, which vote may be by a proxy specifically delineating the different voting and election procedures. The different voting and election procedures may provide for elections to be conducted by limited or general proxy.

(f) Recall of board members.-Subject to the provisions of s. 719.301, any member of the board of administration may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the voting interests. A special meeting of the voting interests to recall any member of the board of administration may be called by 10

Page 53 of 74

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

CS/CS/CS/HB73, Engrossed 1

1483 percent of the unit owners giving notice of the meeting as 1484 required for a meeting of unit owners, and the notice shall 1485 state the purpose of the meeting. Electronic transmission may 1486 not be used as a method of giving notice of a meeting called in 1487 whole or in part for this purpose.

If the recall is approved by a majority of all voting 1488 1. interests by a vote at a meeting, the recall shall be effective 1489 1490 as provided in this paragraph herein. The board shall duly 1491 notice and hold a board meeting within 5 full business days 1492 after of the adjournment of the unit owner meeting to recall one 1493 or more board members. At the meeting, the board shall either certify the recall, in which case such member or members shall 1494 1495 be recalled effective immediately and shall turn over to the 1496 board within 5 full business days any and all records and 1497 property of the association in their possession, or shall proceed as set forth in subparagraph 3. 1498

1499 2. If the proposed recall is by an agreement in writing by 1500 a majority of all voting interests, the agreement in writing or 1501 a copy thereof shall be served on the association by certified 1502 mail or by personal service in the manner authorized by chapter 1503 48 and the Florida Rules of Civil Procedure. The board of 1504 administration shall duly notice and hold a meeting of the board within 5 full business days after receipt of the agreement in 1505 1506 writing. At the meeting, the board shall either certify the 1507 written agreement to recall members of the board, in which case 1508 such members shall be recalled effective immediately and shall turn over to the board, within 5 full business days, any and all 1509 records and property of the association in their possession, or 1510

Page 54 of 74

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

hb0073-04-e1

CS/CS/CS/HB73, Engrossed 1

1511 proceed as described in subparagraph 3.

1512 3. If the board determines not to certify the written 1513 agreement to recall members of the board, or does not certify 1514 the recall by a vote at a meeting, the board shall, within 5 1515 full business days after the board meeting, file with the 1516 division a petition for binding arbitration pursuant to the 1517 procedures of s. 719.1255. For purposes of this paragraph, the 1518 unit owners who voted at the meeting or who executed the 1519 agreement in writing shall constitute one party under the 1520 petition for arbitration. If the arbitrator certifies the recall 1521 as to any member of the board, the recall shall be effective 1522 upon mailing of the final order of arbitration to the 1523 association. If the association fails to comply with the order 1524 of the arbitrator, the division may take action pursuant to s. 1525 719.501. Any member so recalled shall deliver to the board any 1526 and all records and property of the association in the member's 1527 possession within 5 full business days after of the effective date of the recall. 1528

1529 4. If the board fails to duly notice and hold a board 1530 meeting within 5 full business days <u>after</u> of service of an 1531 agreement in writing or within 5 full business days <u>after</u> of the 1532 adjournment of the unit owner recall meeting, the recall shall 1533 be deemed effective and the board members so recalled shall 1534 immediately turn over to the board any and all records and 1535 property of the association.

15365. If the board fails to duly notice and hold the required1537meeting or fails to file the required petition, the unit owner1538representative may file a petition pursuant to s. 719.1255

Page 55 of 74

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

CS/CS/CS/HB73, Engrossed 1

1539 <u>challenging the board's failure to act. The petition must be</u> 1540 <u>filed within 60 days after the expiration of the applicable 5-</u> 1541 <u>full-business-day period. The review of a petition under this</u> 1542 <u>subparagraph is limited to the sufficiency of service on the</u> 1543 <u>board and the facial validity of the written agreement or</u> 1544 ballots filed.

1545 6.5. If a vacancy occurs on the board as a result of a 1546 recall and less than a majority of the board members are 1547 removed, the vacancy may be filled by the affirmative vote of a 1548 majority of the remaining directors, notwithstanding any 1549 provision to the contrary contained in this chapter. If 1550 vacancies occur on the board as a result of a recall and a 1551 majority or more of the board members are removed, the vacancies 1552 shall be filled in accordance with procedural rules to be 1553 adopted by the division, which rules need not be consistent with 1554 this chapter. The rules must provide procedures governing the 1555 conduct of the recall election as well as the operation of the 1556 association during the period after a recall but before prior to 1557 the recall election.

1558 7. A board member who has been recalled may file a 1559 petition pursuant to s. 719.1255 challenging the validity of the 1560 recall. The petition must be filed within 60 days after the 1561 recall is deemed certified. The association and the unit owner 1562 representative shall be named as the respondents. 1563 The division may not accept for filing a recall 8. 1564 petition, whether filed pursuant to subparagraph 1., subparagraph 2., subparagraph 5., or subparagraph 7. and 1565 1566 regardless of whether the recall was certified, when there are

Page 56 of 74

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

CS/CS/CS/HB73, Engrossed 1

1567 <u>60 or fewer days until the scheduled reelection of the board</u> 1568 <u>member sought to be recalled or when 60 or fewer days have not</u> 1569 <u>elapsed since the election of the board member sought to be</u> 1570 recalled.

1571 Section 13. Paragraph (a) of subsection (3) of section1572 719.303, Florida Statutes, is amended to read:

1573

719.303 Obligations of owners.-

1574 The association may levy reasonable fines for failure (3) 1575 of the unit owner or the unit's occupant, licensee, or invitee 1576 to comply with any provision of the cooperative documents or 1577 reasonable rules of the association. A fine may not become a 1578 lien against a unit. A fine may be levied on the basis of each day of a continuing violation, with a single notice and 1579 1580 opportunity for hearing. However, the fine may not exceed \$100 1581 per violation, or \$1,000 in the aggregate.

An association may suspend, for a reasonable period of 1582 (a) 1583 time, the right of a unit owner, or a unit owner's tenant, guest, or invitee, to use the common elements, common 1584 1585 facilities, or any other association property for failure to 1586 comply with any provision of the cooperative documents or 1587 reasonable rules of the association. This paragraph does not 1588 apply to limited common elements intended to be used only by 1589 that unit, common elements needed to access the unit, utility 1590 services provided to the unit, parking spaces, or elevators. 1591 Section 14. Paragraph (k) of subsection (1) of section 1592 719.501, Florida Statutes, is amended to read: 719.501 Powers and duties of Division of Florida 1593

1594 Condominiums, Timeshares, and Mobile Homes.-

Page 57 of 74

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

CS/CS/CS/HB73, Engrossed 1

1595 (1)The Division of Florida Condominiums, Timeshares, and 1596 Mobile Homes of the Department of Business and Professional 1597 Regulation, referred to as the "division" in this part, in 1598 addition to other powers and duties prescribed by chapter 718, 1599 has the power to enforce and ensure compliance with this chapter 1600 and adopted rules relating to the development, construction, sale, lease, ownership, operation, and management of residential 1601 1602 cooperative units. In performing its duties, the division shall 1603 have the following powers and duties:

1604 (k) The division shall provide training and educational programs for cooperative association board members and unit 1605 1606 owners. The training may, in the division's discretion, include web-based electronic media, and live training and seminars in 1607 1608 various locations throughout the state. The division may review 1609 and approve education and training programs for board members 1610 and unit owners offered by providers and shall maintain a 1611 current list of approved programs and providers and make such 1612 list available to board members and unit owners in a reasonable 1613 and cost-effective manner.

1614 Section 15. Subsection (5), paragraphs (a) and (b) of 1615 subsection (7), and subsection (10) of section 720.303, Florida 1616 Statutes, are amended to read:

1617 720.303 Association powers and duties; meetings of board; 1618 official records; budgets; financial reporting; association 1619 funds; recalls.-

1620 (5) INSPECTION AND COPYING OF RECORDS.—The official
1621 records shall be maintained within the state and must be open to
1622 inspection and available for photocopying by members or their

Page 58 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

CS/CS/CS/HB73, Engrossed 1

1623 authorized agents at reasonable times and places within 10 1624 business days after receipt of a written request for access. 1625 This subsection may be complied with by having a copy of the 1626 official records available for inspection or copying in the 1627 community. If the association has a photocopy machine available where the records are maintained, it must provide parcel owners 1628 1629 with copies on request during the inspection if the entire 1630 request is limited to no more than 25 pages. An association 1631 shall allow a member or his or her authorized representative to 1632 use a portable device, including a smartphone, tablet, portable 1633 scanner, or any other technology capable of scanning or taking 1634 photographs, to make an electronic copy of the official records 1635 in lieu of the association's providing the member or his or her 1636 authorized representative with a copy of such records. The 1637 association may not charge a member or his or her authorized 1638 representative for the use of a portable device.

(a) The failure of an association to provide access to the
records within 10 business days after receipt of a written
request submitted by certified mail, return receipt requested,
creates a rebuttable presumption that the association willfully
failed to comply with this subsection.

(b) A member who is denied access to official records is entitled to the actual damages or minimum damages for the association's willful failure to comply with this subsection. The minimum damages are to be \$50 per calendar day up to 10 days, the calculation to begin on the 11th business day after receipt of the written request.

1650

(c) The association may adopt reasonable written rules

Page 59 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

CS/CS/CS/HB73, Engrossed 1

1651 governing the frequency, time, location, notice, records to be 1652 inspected, and manner of inspections, but may not require a 1653 parcel owner to demonstrate any proper purpose for the 1654 inspection, state any reason for the inspection, or limit a 1655 parcel owner's right to inspect records to less than one 8-hour 1656 business day per month. The association may impose fees to cover 1657 the costs of providing copies of the official records, 1658 including, without limitation, the costs of copying. The 1659 association may charge up to 50 cents per page for copies made 1660 on the association's photocopier. If the association does not 1661 have a photocopy machine available where the records are kept, 1662 or if the records requested to be copied exceed 25 pages in 1663 length, the association may have copies made by an outside 1664 vendor or association management company personnel and may charge the actual cost of copying, including any reasonable 1665 costs involving personnel fees and charges at an hourly rate for 1666 1667 vendor or employee time to cover administrative costs to the 1668 vendor or association. The association shall maintain an 1669 adequate number of copies of the recorded governing documents, 1670 to ensure their availability to members and prospective members. Notwithstanding this paragraph, the following records are not 1671 1672 accessible to members or parcel owners:

1673 1. Any record protected by the lawyer-client privilege as 1674 described in s. 90.502 and any record protected by the work-1675 product privilege, including, but not limited to, a record 1676 prepared by an association attorney or prepared at the 1677 attorney's express direction which reflects a mental impression, 1678 conclusion, litigation strategy, or legal theory of the attorney

Page 60 of 74

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

hb0073-04-e1

CS/CS/CS/HB73, Engrossed 1

1679 or the association and which was prepared exclusively for civil 1680 or criminal litigation or for adversarial administrative 1681 proceedings or which was prepared in anticipation of such 1682 litigation or proceedings until the conclusion of the litigation 1683 or proceedings.

1684 2. Information obtained by an association in connection 1685 with the approval of the lease, sale, or other transfer of a 1686 parcel.

1687 3. Personnel records of association or management company 1688 the association's employees, including, but not limited to, 1689 disciplinary, payroll, health, and insurance records. For 1690 purposes of this subparagraph, the term "personnel records" does 1691 not include written employment agreements with an association or 1692 management company employee or budgetary or financial records that indicate the compensation paid to an association or 1693 1694 management company employee.

1695 4. Medical records of parcel owners or community1696 residents.

1697 5. Social security numbers, driver driver's license 1698 numbers, credit card numbers, electronic mailing addresses, 1699 telephone numbers, facsimile numbers, emergency contact 1700 information, any addresses for a parcel owner other than as 1701 provided for association notice requirements, and other personal 1702 identifying information of any person, excluding the person's 1703 name, parcel designation, mailing address, and property address. 1704 Notwithstanding the restrictions in this subparagraph, an association may print and distribute to parcel owners a 1705 1706 directory containing the name, parcel address, and telephone

Page 61 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

hb0073-04-e1

CS/CS/CS/HB73, Engrossed 1

1707 number of each parcel owner. However, an owner may exclude his 1708 or her telephone number from the directory by so requesting in 1709 writing to the association consent in writing to the disclosure 1710 of protected information described in this subparagraph. The 1711 association is not liable for the disclosure of information that 1712 is protected under this subparagraph if the information is 1713 included in an official record of the association and is 1714 voluntarily provided by an owner and not requested by the 1715 association.

1716 6. Any electronic security measure that is used by the 1717 association to safeguard data, including passwords.

1718 7. The software and operating system used by the 1719 association which allows the manipulation of data, even if the 1720 owner owns a copy of the same software used by the association. 1721 The data is part of the official records of the association.

1722 The association or its authorized agent is not (d) 1723 required to provide a prospective purchaser or lienholder with 1724 information about the residential subdivision or the association 1725 other than information or documents required by this chapter to 1726 be made available or disclosed. The association or its 1727 authorized agent may charge a reasonable fee to the prospective 1728 purchaser or lienholder or the current parcel owner or member 1729 for providing good faith responses to requests for information 1730 by or on behalf of a prospective purchaser or lienholder, other 1731 than that required by law, if the fee does not exceed \$150 plus 1732 the reasonable cost of photocopying and any attorney attorney's fees incurred by the association in connection with the 1733 1734 response.

Page 62 of 74

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

CS/CS/CS/HB73, Engrossed 1

1735 (7)FINANCIAL REPORTING.-Within 90 days after the end of 1736 the fiscal year, or annually on the date provided in the bylaws, 1737 the association shall prepare and complete, or contract with a third party for the preparation and completion of, a financial 1738 1739 report for the preceding fiscal year. Within 21 days after the 1740 final financial report is completed by the association or 1741 received from the third party, but not later than 120 days after 1742 the end of the fiscal year or other date as provided in the 1743 bylaws, the association shall, within the time limits set forth 1744 in subsection (5), provide each member with a copy of the annual 1745 financial report or a written notice that a copy of the 1746 financial report is available upon request at no charge to the 1747 member. Financial reports shall be prepared as follows:

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

An association with total annual revenues of \$150,000
 \$100,000 or more, but less than \$300,000 \$200,000, shall prepare
 compiled financial statements.

1757 2. An association with total annual revenues of at least 1758 <u>\$300,000</u> \$200,000, but less than <u>\$500,000</u> \$400,000, shall 1759 prepare reviewed financial statements.

1760 3. An association with total annual revenues of \$500,000
1761 \$400,000 or more shall prepare audited financial statements.
1762 (b)1. An association with total annual revenues of less

Page 63 of 74

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

CS/CS/CS/HB73, Engrossed 1

1763 than \$150,000 \$100,000 shall prepare a report of cash receipts
1764 and expenditures.

1765 2. An association in a community of fewer than 50 parcels, 1766 regardless of the association's annual revenues, may prepare a 1767 report of cash receipts and expenditures in lieu of financial 1768 statements required by paragraph (a) unless the governing 1769 documents provide otherwise.

1770 A report of cash receipts and disbursement must 3. 1771 disclose the amount of receipts by accounts and receipt 1772 classifications and the amount of expenses by accounts and 1773 expense classifications, including, but not limited to, the 1774 following, as applicable: costs for security, professional, and 1775 management fees and expenses; taxes; costs for recreation 1776 facilities; expenses for refuse collection and utility services; 1777 expenses for lawn care; costs for building maintenance and 1778 repair; insurance costs; administration and salary expenses; and 1779 reserves if maintained by the association.

1779 1780

(10) RECALL OF DIRECTORS.-

(a)1. Regardless of any provision to the contrary contained in the governing documents, subject to the provisions of s. 720.307 regarding transition of association control, any member of the board of directors may be recalled and removed from office with or without cause by a majority of the total voting interests.

1787 2. When the governing documents, including the 1788 declaration, articles of incorporation, or bylaws, provide that 1789 only a specific class of members is entitled to elect a board 1790 director or directors, only that class of members may vote to

Page 64 of 74

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

CS/CS/CS/HB73, Engrossed 1

1791 recall those board directors so elected.

(b)1. Board directors may be recalled by an agreement in writing or by written ballot without a membership meeting. The agreement in writing or the written ballots, or a copy thereof, shall be served on the association by certified mail or by personal service in the manner authorized by chapter 48 and the Florida Rules of Civil Procedure.

1798 2. The board shall duly notice and hold a meeting of the 1799 board within 5 full business days after receipt of the agreement 1800 in writing or written ballots. At the meeting, the board shall 1801 either certify the written ballots or written agreement to 1802 recall a director or directors of the board, in which case such 1803 director or directors shall be recalled effective immediately 1804 and shall turn over to the board within 5 full business days any 1805 and all records and property of the association in their possession, or proceed as described in paragraph (d). 1806

3. When it is determined by the department pursuant to binding arbitration proceedings that an initial recall effort was defective, written recall agreements or written ballots used in the first recall effort and not found to be defective may be reused in one subsequent recall effort. However, in no event is a written agreement or written ballot valid for more than 120 days after it has been signed by the member.

1814 4. Any rescission or revocation of a member's written 1815 recall ballot or agreement must be in writing and, in order to 1816 be effective, must be delivered to the association before the 1817 association is served with the written recall agreements or 1818 ballots.

Page 65 of 74

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

CS/CS/CS/HB73, Engrossed 1

1819 5. The agreement in writing or ballot shall list at least 1820 as many possible replacement directors as there are directors 1821 subject to the recall, when at least a majority of the board is 1822 sought to be recalled; the person executing the recall 1823 instrument may vote for as many replacement candidates as there 1824 are directors subject to the recall.

1825 (c)1. If the declaration, articles of incorporation, or 1826 bylaws specifically provide, the members may also recall and 1827 remove a board director or directors by a vote taken at a 1828 meeting. If so provided in the governing documents, a special 1829 meeting of the members to recall a director or directors of the 1830 board of administration may be called by 10 percent of the 1831 voting interests giving notice of the meeting as required for a 1832 meeting of members, and the notice shall state the purpose of 1833 the meeting. Electronic transmission may not be used as a method of giving notice of a meeting called in whole or in part for 1834 1835 this purpose.

1836 2. The board shall duly notice and hold a board meeting 1837 within 5 full business days after the adjournment of the member 1838 meeting to recall one or more directors. At the meeting, the 1839 board shall certify the recall, in which case such member or 1840 members shall be recalled effective immediately and shall turn 1841 over to the board within 5 full business days any and all 1842 records and property of the association in their possession, or 1843 shall proceed as set forth in subparagraph (d).

1844 (d) If the board determines not to certify the written
1845 agreement or written ballots to recall a director or directors
1846 of the board or does not certify the recall by a vote at a

Page 66 of 74

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

CS/CS/CS/HB73, Engrossed 1

1847 meeting, the board shall, within 5 full business days after the 1848 meeting, file with the department a petition for binding 1849 arbitration pursuant to the applicable procedures in ss. 1850 718.112(2)(j) and 718.1255 and the rules adopted thereunder. For 1851 the purposes of this section, the members who voted at the 1852 meeting or who executed the agreement in writing shall 1853 constitute one party under the petition for arbitration. If the 1854 arbitrator certifies the recall as to any director or directors 1855 of the board, the recall will be effective upon mailing of the final order of arbitration to the association. The director or 1856 1857 directors so recalled shall deliver to the board any and all 1858 records of the association in their possession within 5 full 1859 business days after the effective date of the recall.

1860 If a vacancy occurs on the board as a result of a (e) recall and less than a majority of the board directors are 1861 removed, the vacancy may be filled by the affirmative vote of a 1862 1863 majority of the remaining directors, notwithstanding any 1864 provision to the contrary contained in this subsection or in the 1865 association documents. If vacancies occur on the board as a 1866 result of a recall and a majority or more of the board directors 1867 are removed, the vacancies shall be filled by members voting in 1868 favor of the recall; if removal is at a meeting, any vacancies 1869 shall be filled by the members at the meeting. If the recall 1870 occurred by agreement in writing or by written ballot, members 1871 may vote for replacement directors in the same instrument in 1872 accordance with procedural rules adopted by the division, which rules need not be consistent with this subsection. 1873 (f) If the board fails to duly notice and hold a board

1874

Page 67 of 74

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

CS/CS/CS/HB73, Engrossed 1

1875 meeting within 5 full business days after service of an 1876 agreement in writing or within 5 full business days after the 1877 adjournment of the member recall meeting, the recall shall be 1878 deemed effective and the board directors so recalled shall 1879 immediately turn over to the board all records and property of 1880 the association.

1881 (g) If the board fails to duly notice and hold the 1882 required meeting or fails to file the required petition, the unit owner representative may file a petition pursuant to s. 1883 1884 718.1255 challenging the board's failure to act. The petition 1885 must be filed within 60 days after the expiration of the 1886 applicable 5-full-business-day period. The review of a petition 1887 under this paragraph is limited to the sufficiency of service on 1888 the board and the facial validity of the written agreement or 1889 ballots filed.

1890 (h) (g) If a director who is removed fails to relinquish 1891 his or her office or turn over records as required under this 1892 section, the circuit court in the county where the association 1893 maintains its principal office may, upon the petition of the 1894 association, summarily order the director to relinquish his or 1895 her office and turn over all association records upon 1896 application of the association.

1897 <u>(i) (h)</u> The minutes of the board meeting at which the board 1898 decides whether to certify the recall are an official 1899 association record. The minutes must record the date and time of 1900 the meeting, the decision of the board, and the vote count taken 1901 on each board member subject to the recall. In addition, when 1902 the board decides not to certify the recall, as to each vote

Page 68 of 74

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

CS/CS/CS/HB73, Engrossed 1

1903 rejected, the minutes must identify the parcel number and the 1904 specific reason for each such rejection.

1905 <u>(j)</u>(i) When the recall of more than one board director is 1906 sought, the written agreement, ballot, or vote at a meeting 1907 shall provide for a separate vote for each board director sought 1908 to be recalled.

1909 (k) A board member who has been recalled may file a 1910 petition pursuant to ss. 718.112(2)(j) and 718.1255 and the 1911 rules adopted challenging the validity of the recall. The 1912 petition must be filed within 60 days after the recall is deemed 1913 certified. The association and the unit owner representative 1914 shall be named as respondents.

(1) The division may not accept for filing a recall petition, whether filed pursuant to paragraph (b), paragraph (c), paragraph (g), or paragraph (k) and regardless of whether the recall was certified, when there are 60 or fewer days until the scheduled reelection of the board member sought to be recalled or when 60 or fewer days have not elapsed since the election of the board member sought to be recalled.

1922 Section 16. Subsection (2) of section 720.305, Florida 1923 Statutes, is amended to read:

1924720.305Obligations of members; remedies at law or in1925equity; levy of fines and suspension of use rights.-

(2) The association may levy reasonable fines of up to \$100 per violation against any member or any member's tenant, guest, or invite for the failure of the owner of the parcel or its occupant, licensee, or invite to comply with any provision of the declaration, the association bylaws, or reasonable rules

Page 69 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.



CS/CS/CS/HB73, Engrossed 1

1931 of the association. A fine may be levied for each day of a 1932 continuing violation, with a single notice and opportunity for 1933 hearing, except that the fine may not exceed \$1,000 in the 1934 aggregate unless otherwise provided in the governing documents. 1935 A fine of less than \$1,000 may not become a lien against a parcel. In any action to recover a fine, the prevailing party is 1936 1937 entitled to reasonable attorney attorney's fees and costs from 1938 the nonprevailing party as determined by the court.

1939 An association may suspend, for a reasonable period of (a) 1940 time, the right of a member, or a member's tenant, quest, or 1941 invitee, to use common areas and facilities for the failure of 1942 the owner of the parcel or its occupant, licensee, or invitee to 1943 comply with any provision of the declaration, the association 1944 bylaws, or reasonable rules of the association. This paragraph 1945 does not apply to that portion of common areas used to provide access or utility services to the parcel. A suspension may not 1946 1947 impair the right of an owner or tenant of a parcel to have 1948 vehicular and pedestrian ingress to and egress from the parcel, 1949 including, but not limited to, the right to park.

1950 (b) A fine or suspension may not be imposed without at 1951 least 14 days' notice to the person sought to be fined or 1952 suspended and an opportunity for a hearing before a committee of 1953 at least three members appointed by the board who are not 1954 officers, directors, or employees of the association, or the 1955 spouse, parent, child, brother, or sister of an officer, 1956 director, or employee. If the committee, by majority vote, does not approve a proposed fine or suspension, it may not be 1957 1958 imposed. If the association imposes a fine or suspension, the

Page 70 of 74

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

hb0073-04-e1

CS/CS/CS/HB73, Engrossed 1

1959 association must provide written notice of such fine or 1960 suspension by mail or hand delivery to the parcel owner and, if 1961 applicable, to any tenant, licensee, or invitee of the parcel 1962 owner.

Section 17. Paragraph (d) is added to subsection (1) of section 720.306, Florida Statutes, and subsection (6) and paragraph (a) of subsection (9) of that section are amended, to read:

1967 720.306 Meetings of members; voting and election 1968 procedures; amendments.-

1969

(1) QUORUM; AMENDMENTS.-

1970 (d) The Legislature finds that the procurement of 1971 mortgagee consent to amendments that do not affect the rights or 1972 interests of mortgagees is an unreasonable and substantial 1973 logistical and financial burden on the parcel owners and that 1974 there is a compelling state interest in enabling the members of 1975 an association to approve amendments to the association's 1976 governing documents through legal means. Accordingly, and 1977 notwithstanding any provision of this paragraph to the contrary: 1978 1. As to any mortgage recorded on or after July 1, 2013, 1979 any provision in the association's governing documents that 1980 requires the consent or joinder of some or all mortgagees of 1981 parcels or any other portion of the association's common areas 1982 to amend the association's governing documents or for any other 1983 matter is enforceable only as to amendments to the association's 1984 governing documents that adversely affect the priority of the 1985 mortgagee's lien or the mortgagee's rights to foreclose its lien

Page 71 of 74

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

CS/CS/CS/HB73, Engrossed 1

1986 or that otherwise materially affect the rights and interests of 1987 the mortgagees. 1988 2. As to mortgages recorded before July 1, 2013, any 1989 existing provisions in the association's governing documents 1990 requiring mortgagee consent are enforceable. 3. In securing consent or joinder, the association is 1991 1992 entitled to rely upon the public records to identify the holders 1993 of outstanding mortgages. The association may use the address 1994 provided in the original recorded mortgage document, unless 1995 there is a different address for the holder of the mortgage in a 1996 recorded assignment or modification of the mortgage, which 1997 recorded assignment or modification must reference the official 1998 records book and page on which the original mortgage was 1999 recorded. Once the association has identified the recorded 2000 mortgages of record, the association shall, in writing, request 2001 of each parcel owner whose parcel is encumbered by a mortgage of 2002 record any information that the owner has in his or her 2003 possession regarding the name and address of the person to whom 2004 mortgage payments are currently being made. Notice shall be sent 2005 to such person if the address provided in the original recorded 2006 mortgage document is different from the name and address of the 2007 mortgagee or assignee of the mortgage as shown by the public 2008 record. The association is deemed to have complied with this 2009 requirement by making the written request of the parcel owners 2010 required under this subparagraph. Any notices required to be 2011 sent to the mortgagees under this subparagraph shall be sent to 2012 all available addresses provided to the association.

Page 72 of 74

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

CS/CS/CS/HB73, Engrossed 1

2013 4. Any notice to the mortgagees required under 2014 subparagraph 3. may be sent by a method that establishes proof 2015 of delivery, and any mortgagee who fails to respond within 60 2016 days after the date of mailing is deemed to have consented to 2017 the amendment. 2018 5. For those amendments requiring mortgagee consent on or 2019 after July 1, 2013, in the event mortgagee consent is provided 2020 other than by properly recorded joinder, such consent shall be 2021 evidenced by affidavit of the association recorded in the public 2022 records of the county in which the declaration is recorded. 2023 Any amendment adopted without the required consent of a 6. 2024 mortgagee is voidable only by a mortgagee who was entitled to notice and an opportunity to consent. An action to void an 2025 2026 amendment is subject to the statute of limitations beginning 5 2027 years after the date of discovery as to the amendments described 2028 in subparagraph 1. and 5 years after the date of recordation of 2029 the certificate of amendment for all other amendments. This 2030 subparagraph applies to all mortgages, regardless of the date of 2031 recordation of the mortgage. 2032 RIGHT TO SPEAK.-Members and parcel owners have the (6) 2033 right to attend all membership meetings and to speak at any 2034 meeting with reference to all items opened for discussion or 2035 included on the agenda. Notwithstanding any provision to the 2036 contrary in the governing documents or any rules adopted by the 2037 board or by the membership, a member and a parcel owner have the right to speak for at least 3 minutes on any item, provided that 2038

2040 prior to the meeting. The association may adopt written

Page 73 of 74

the member or parcel owner submits a written request to speak

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

2039

CS/CS/CS/HB73, Engrossed 1

2041 reasonable rules governing the frequency, duration, and other 2042 manner of member and parcel owner statements, which rules must 2043 be consistent with this subsection.

2044

(9) (a) ELECTIONS AND BOARD VACANCIES.-

2045 Elections of directors must be conducted in accordance (a) 2046 with the procedures set forth in the governing documents of the 2047 association. All members of the association are eligible to 2048 serve on the board of directors, and a member may nominate 2049 himself or herself as a candidate for the board at a meeting 2050 where the election is to be held or, if the election process 2051 allows voting by absentee ballot, in advance of the balloting. 2052 Except as otherwise provided in the governing documents, boards 2053 of directors must be elected by a plurality of the votes cast by 2054 eligible voters. Any challenge to the election process must be 2055 commenced within 60 days after the election results are 2056 announced.

2057

Section 18. This act shall take effect July 1, 2013.

Page 74 of 74

CODING: Words stricken are deletions; words <u>underlined</u> are additions.