By Senator Ring

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A bill to be entitled An act relating to real and personal property; amending s. 712.05, F.S.; clarifying existing law relating to marketable record title; amending s. 718.110, F.S.; providing that an amendment to a declaration related to rental condominium units does not apply to unit owners who vote against the amendment; amending s. 718.111, F.S.; authorizing an association to inspect and repair abandoned condominium units; specifying criteria under which a unit is presumed abandoned; providing a mechanism for an association to recover costs associated with maintaining an abandoned unit; requiring an outgoing condominium association board or committee member to relinquish all official records and property of the association within a specified time; providing a civil penalty for failing to relinquish such records and property; amending s. 718.112, F.S.; providing that a board or committee member's participation in a meeting via real-time videoconferencing or similar electronic or video communication counts toward a quorum and that such member may vote as if physically present; authorizing the board to communicate via e-mail; prohibiting the board from voting via e-mail; amending s. 718.116, F.S.; expanding costs that a unit owner is jointly and severally responsible for paying with the previous owner; providing that the term "previous owner" does not include certain associations; limiting the unit owner's liability for specified costs to

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amounts accrued before the association acquired title to the delinquent property; amending s. 718.707, F.S.; extending the date by which a parcel must be acquired in order for a person to be classified as a bulk assignee or bulk buyer; amending s. 719.104, F.S.; requiring an outgoing cooperative association board or committee member to relinquish all official records and property of the association within a specified time; providing a civil penalty for failing to relinquish such records and property; providing dates by which financial reports for an association must be completed; specifying that members must receive copies of financial reports; requiring specific types of financial statements for associations of varying sizes; providing exceptions; providing a mechanism for waiving or increasing financial reporting requirements; amending s. 719.106, F.S.; providing that certain persons are ineligible for board membership; suspending a director or officer from office if he or she is charged with a specified felony; providing procedures for filling such vacancy or for reinstating a member under certain circumstances; providing a mechanism to allow a person convicted of a felony to be eligible for board membership; requiring the notice of a board meeting to specify all agenda items; requiring the board to place an item on the agenda if a specified number of voting interests petition the board; amending s. 719.108, F.S.; expanding costs that a unit owner is jointly and

severally responsible for paying with the previous owner; providing that the term "previous owner" does not include certain associations; limiting the unit owner's liability for specified costs to amounts accrued before the association acquired title to the delinquent property; creating s. 719.128, F.S.; providing emergency powers of a cooperative association; amending s. 720.3085, F.S.; expanding costs that a parcel owner is jointly and severally responsible for paying with the previous owner; limiting the parcel owner's liability for specified costs to amounts accrued before the association acquired title to the delinquent property; creating s. 720.316, F.S.; providing emergency powers of a homeowners' association; providing an effective date.

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

Section 1. Subsection (1) of section 712.05, Florida Statutes, is amended to read:

712.05 Effect of filing notice.-

(1) A Any person claiming an interest in land or a homeowners' association desiring to preserve a any covenant or restriction may preserve and protect the same from extinguishment by the operation of this act by filing for record, during the 30-year period immediately following the effective date of the root of title, a written notice, in writing, in accordance with this chapter. Such the provisions hereof, which notice preserves shall have the effect of so

preserving such claim of right or such covenant or restriction or portion of such covenant or restriction for up to a period of not longer than 30 years after filing the notice same unless the notice is filed again filed as required in this chapter herein.

A person's No disability or lack of knowledge of any kind may not on the part of anyone shall delay the commencement of or suspend the running of the said 30-year period. Such notice may be filed for record by the claimant or by any other person acting on behalf of a any claimant who is:

- (a) Under a disability; -
- (b) Unable to assert a claim on his or her behalf; τ or
- (c) One of a class, but whose identity cannot be established or is uncertain at the time of filing such notice of claim for record.

Such notice may be filed by a homeowners' association only if the preservation of such covenant or restriction or portion of such covenant or restriction is approved by at least two-thirds of the members of the board of directors of an incorporated homeowners' association at a meeting for which a notice, stating the meeting's time and place and containing the statement of marketable title action described in s. 712.06(1)(b), was mailed or hand delivered to members of the homeowners' association at least not less than 7 days before prior to such meeting. The homeowners' association or clerk of the circuit court is not required to provide notice other than as provided under s. 712.06(3). The preceding sentence is intended to clarify existing law.

Section 2. Subsection (13) of section 718.110, Florida

Statutes, is amended to read:

- 718.110 Amendment of declaration; correction of error or omission in declaration by circuit court.—
- (13) An amendment that prohibits prohibiting unit owners from renting their units or altering the duration of the rental term or that specifies or limits specifying or limiting the number of times unit owners are entitled to rent their units during a specified period does not apply applies only to unit owners who voted against consent to the amendment. However, such amendment applies to unit owners who consented to the amendment, who failed to cast a vote, or and unit owners who acquired acquire title to their units after the effective date of the that amendment.

Section 3. Subsection (5) of section 718.111, Florida Statutes, is amended, and paragraph (f) is added to subsection (12) of that section, to read:

718.111 The association.

- (5) (a) RIGHT OF ACCESS TO UNITS.—The association has the irrevocable right of access to each unit during reasonable hours, when necessary for the maintenance, repair, or replacement of any common elements or of any portion of a unit to be maintained by the association pursuant to the declaration or as necessary to prevent damage to the common elements or to a unit or units.
- (b) 1. Notwithstanding paragraph (a), and regardless of whether authority is provided in the declaration or other recorded governing documents, an association, at the sole discretion of the board, may enter an abandoned unit to inspect the unit and adjoining common elements; make repairs to the unit

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or to the common elements serving the unit, as needed; repair
the unit if mold or deterioration is present; turn on the power
for the unit; or otherwise maintain, preserve, or protect the
unit and adjoining common elements. For purposes of this
paragraph, a unit is presumed to be abandoned if:

- a. The unit is the subject of a foreclosure action and no tenant appears to have resided in the unit for at least 4 continuous weeks without prior written notice to the association; or
- b. No tenant appears to have resided in the unit for 2 consecutive months without prior written notice to the association, and the association is unable to contact the owner or determine the whereabouts of the owner after reasonable inquiry.
- 2. Except in the case of an emergency, an association may not enter an abandoned unit until 48 hours after notice of the association's intent to enter the unit has been delivered to the owner at the address of the owner as reflected in the records of the association.
- 3. Any expense incurred by an association pursuant to this paragraph is chargeable to the unit owner and enforceable as an assessment pursuant to s. 718.116, and the association may use its lien authority provided under s. 718.116 to enforce collection of the expense.
- 4. The association may petition a court of competent jurisdiction to appoint a receiver and may lease out an abandoned unit for the benefit of the association to offset against the rental income, the association's costs and expenses of maintaining, preserving, and protecting the unit and the

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adjoining common elements, including the costs of the
receivership and all unpaid assessments, interest,
administrative late fees, costs, and reasonable attorney fees.

- (12) OFFICIAL RECORDS.-
- (f) An outgoing board or committee member must relinquish all official records and property of the association in his or her possession or under his or her control to the incoming board within 5 days after the election. An outgoing board or committee member who fails to relinquish such records and property is personally subject to a civil penalty pursuant to s. 718.501(1)(d).

Section 4. Paragraphs (b) and (c) of subsection (2) of section 718.112, Florida Statutes, are amended to read:

718.112 Bylaws.-

- (2) REQUIRED PROVISIONS.—The bylaws shall provide for the following and, if they do not do so, shall be deemed to include the following:
 - (b) Quorum; voting requirements; proxies.-
- 1. Unless a lower number is provided in the bylaws, the percentage of voting interests required to constitute a quorum at a meeting of the members is a majority of the voting interests. Unless otherwise provided in this chapter or in the declaration, articles of incorporation, or bylaws, and except as provided in subparagraph (d)4., decisions shall be made by a majority of the voting interests represented at a meeting at which a quorum is present.
- 2. Except as specifically otherwise provided herein, unit owners may not vote by general proxy, but may vote by limited proxies substantially conforming to a limited proxy form adopted

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by the division. A voting interest or consent right allocated to a unit owned by the association may not be exercised or considered for any purpose, whether for a quorum, an election, or otherwise. Limited proxies and general proxies may be used to establish a quorum. Limited proxies shall be used for votes taken to waive or reduce reserves in accordance with subparagraph (f)2.; for votes taken to waive the financial reporting requirements of s. 718.111(13); for votes taken to amend the declaration pursuant to s. 718.110; for votes taken to amend the articles of incorporation or bylaws pursuant to this section; and for any other matter for which this chapter requires or permits a vote of the unit owners. Except as provided in paragraph (d), a proxy, limited or general, may not be used in the election of board members. General proxies may be used for other matters for which limited proxies are not required, and may be used in voting for nonsubstantive changes to items for which a limited proxy is required and given. Notwithstanding this subparagraph, unit owners may vote in person at unit owner meetings. This subparagraph does not limit the use of general proxies or require the use of limited proxies for any agenda item or election at any meeting of a timeshare condominium association.

- 3. Any proxy given is effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. A proxy is not valid longer than 90 days after the date of the first meeting for which it was given and may be revoked. Every proxy is revocable at any time at the pleasure of the unit owner executing it.
 - 4. A member of the board of administration or a committee

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may submit in writing his or her agreement or disagreement with any action taken at a meeting that the member did not attend. This agreement or disagreement may not be used as a vote for or against the action taken or to create a quorum.

- 5. A If any of the board or committee member's participation in a meeting via telephone, real-time videoconferencing, or similar real-time electronic or video communication counts toward a quorum, and such member may vote as if physically present members meet by telephone conference, those board or committee members may be counted toward obtaining a quorum and may vote by telephone. A telephone speaker must be used so that the conversation of such those members may be heard by the board or committee members attending in person as well as by any unit owners present at a meeting.
- (c) Board of administration meetings.—Meetings of the board of administration at which a quorum of the members is present are open to all unit owners. A member may use e-mail as a means of communication but may not cast a vote on an association matter via e-mail. A unit owner may tape record or videotape the meetings. The right to attend such meetings includes the right to speak at such meetings with reference to all designated agenda items. The division shall adopt reasonable rules governing the tape recording and videotaping of the meeting. The association may adopt written reasonable rules governing the frequency, duration, and manner of unit owner statements.
- 1. Adequate notice of all board meetings, which must specifically identify all agenda items, must be posted conspicuously on the condominium property at least 48 continuous hours before the meeting except in an emergency. If 20 percent

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of the voting interests petition the board to address an item of business, the board, within 60 days after receipt of the petition, shall place the item on the agenda at its next regular board meeting or at a special meeting called for that purpose of the board, but not later than 60 days after the receipt of the petition, shall place the item on the agenda. An Any item not included on the notice may be taken up on an emergency basis by a vote of at least a majority plus one of the board members. Such emergency action must be noticed and ratified at the next regular board meeting. However, written notice of a any meeting at which a nonemergency special assessment assessments, or an at which amendment to rules regarding unit use, will be considered must be mailed, delivered, or electronically transmitted to the unit owners and posted conspicuously on the condominium property at least 14 days before the meeting. Evidence of compliance with this 14-day notice requirement must be made by an affidavit executed by the person providing the notice and filed with the official records of the association. Upon notice to the unit owners, the board shall, by duly adopted rule, designate a specific location on the condominium or association property where all notices of board meetings must are to be posted. If there is no condominium property or association property where notices can be posted, notices shall be mailed, delivered, or electronically transmitted to each unit owner at least 14 days before the meeting to the owner of each unit. In lieu of or in addition to the physical posting of the notice on the condominium property, the association may, by reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit cable

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television system serving the condominium association. However, if broadcast notice is used in lieu of a notice physically posted on condominium property, the notice and agenda must be broadcast at least four times every broadcast hour of each day that a posted notice is otherwise required under this section. If broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda. Notice of any meeting in which regular or special assessments against unit owners are to be considered for any reason must specifically state that assessments will be considered and provide the nature, estimated cost, and description of the purposes for such assessments.

- 2. Meetings of a committee to take final action on behalf of the board or make recommendations to the board regarding the association budget are subject to this paragraph. Meetings of a committee that does not take final action on behalf of the board or make recommendations to the board regarding the association budget are subject to this section, unless those meetings are exempted from this section by the bylaws of the association.
- 3. Notwithstanding any other law, the requirement that board meetings and committee meetings be open to the unit owners does not apply to:
- a. Meetings between the board or a committee and the association's attorney, with respect to proposed or pending litigation, if the meeting is held for the purpose of seeking or rendering legal advice; or
 - b. Board meetings held for the purpose of discussing

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Section 5. Paragraph (a) of subsection (1) of section 718.116, Florida Statutes, is amended to read:

718.116 Assessments; liability; lien and priority; interest; collection.—

(1)(a) A unit owner, regardless of how his or her title has been acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, is liable for all assessments that which come due while he or she is the unit owner. Additionally, a unit owner is jointly and severally liable with the previous owner for all unpaid assessments that came due up to the time of transfer of title, as well as interest, late charges, and reasonable costs and attorney fees incurred by the association incident to the collection process. This liability is without prejudice to any right the owner may have to recover from the previous owner the amounts paid by the owner. For the purposes of this paragraph, the term "previous owner" does not include an association that acquires title to a delinquent property through foreclosure or by deed in lieu of foreclosure. The present unit owner's liability for unpaid assessments, interest, late charges, and reasonable costs and attorney fees incurred by the association incident to the collection process is limited to the amounts that accrued before the association acquired title to the delinquent property through foreclosure or by deed in lieu of foreclosure.

Section 6. Section 718.707, Florida Statutes, is amended to read:

718.707 Time limitation for classification as bulk assignee or bulk buyer.—A person acquiring condominium parcels may not be

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classified as a bulk assignee or bulk buyer unless the condominium parcels were acquired on or after July 1, 2010, but before July 1, 2016 2015. The date of such acquisition shall be determined by the date of recording a deed or other instrument of conveyance for such parcels in the public records of the county in which the condominium is located, or by the date of issuing a certificate of title in a foreclosure proceeding with respect to such condominium parcels.

Section 7. Paragraph (e) is added to subsection (2) of section 719.104, Florida Statutes, and subsection (4) of that section is amended, to read:

- 719.104 Cooperatives; access to units; records; financial reports; assessments; purchase of leases.—
 - (2) OFFICIAL RECORDS.—
- (e) An outgoing board or committee member must relinquish all official records and property of the association in his or her possession or under his or her control to the incoming board within 5 days after the election. The Division of Florida

 Condominiums, Timeshares, and Mobile Homes shall impose a civil penalty as set forth in s. 719.501(1)(d) against an outgoing board or committee member who willfully and knowingly fails to relinquish such records and property.
 - (4) FINANCIAL REPORT.
- (a) Within 90 60 days after following the end of the fiscal or calendar year or annually on such date as is otherwise provided in the bylaws of the association, the board of administration of the association shall prepare and complete, or contract with a third party to prepare and complete, a financial report covering the preceding fiscal or calendar year. Within 21

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378 days after the financial report is completed by the association 379 or received from the third party, but no later than 120 days 380 after the end of the fiscal year, calendar year, or other date 381 provided in the bylaws, the association shall provide each 382 member with a copy of the annual financial report or a written 383 notice that a copy of the financial report is available upon 384 request at no charge to the member. The division shall adopt 385 rules setting forth uniform accounting principles, standards, 386 and reporting requirements mail or furnish by personal delivery 387 to each unit owner a complete financial report of actual 388 receipts and expenditures for the previous 12 months, or a 389 complete set of financial statements for the preceding fiscal 390 year prepared in accordance with generally accepted accounting 391 procedures. The report shall show the amounts of receipts by 392 accounts and receipt classifications and shall show the amounts 393 of expenses by accounts and expense classifications including, 394 if applicable, but not limited to, the following: 395 1. Costs for security; 396 2. Professional and management fees and expenses; 397 3. Taxes; 398 4. Costs for recreation facilities; 399 5. Expenses for refuse collection and utility services; 400 6. Expenses for lawn care; 401 7. Costs for building maintenance and repair; 402 8. Insurance costs; 403 9. Administrative and salary expenses; and 404 10. Reserves for capital expenditures, deferred 405 maintenance, and any other category for which the association maintains a reserve account or accounts. 406

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(b) Except as set forth in paragraph (c), an association whose total annual revenues meet the criteria of this paragraph shall prepare or cause to be prepared a complete set of financial statements according to the generally accepted accounting principles adopted by the Board of Accountancy. The financial statements shall be as follows:

- 1. An association with total annual revenues of between \$150,000 and \$299,999 shall prepare a compiled financial statement.
- 2. An association with total annual revenues of between \$300,000 and \$499,999 shall prepare a reviewed financial statement.
- 3. An association with total annual revenues of \$500,000 or more shall prepare an audited financial statement The division shall adopt rules that may require that the association deliver to the unit owners, in lieu of the financial report required by this section, a complete set of financial statements for the preceding fiscal year. The financial statements shall be delivered within 90 days following the end of the previous fiscal year or annually on such other date as provided in the bylaws. The rules of the division may require that the financial statements be compiled, reviewed, or audited, and the rules shall take into consideration the criteria set forth in s. 719.501(1)(j).
- <u>4.</u> The requirement to have the financial statements compiled, reviewed, or audited does not apply to <u>an association associations</u> if a majority of the voting interests of the association present at a duly called meeting of the association have <u>voted</u> determined for a fiscal year to waive this

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requirement for the fiscal year. In an association in which turnover of control by the developer has not occurred, the developer may vote to waive the audit requirement for the first 2 years of the operation of the association, after which time waiver of an applicable audit requirement shall be by a majority of voting interests other than the developer. The meeting shall be held before prior to the end of the fiscal year, and the waiver may shall be effective for only one fiscal year. An association may not waive the financial reporting requirements of this section for more than 3 consecutive years This subsection does not apply to a cooperative that consists of 50 or fewer units.

- (c)1. An association with total annual revenues of less than \$150,000 shall prepare a report of cash receipts and expenditures.
- 2. An association in a community of fewer than 50 units, regardless of the association's annual revenues, shall prepare a report of cash receipts and expenditures in lieu of the financial statements required in paragraph (b) unless the declaration or other recorded governing documents provide otherwise.
- 3. A report of cash receipts and disbursements must disclose the amount of receipts by accounts and receipt classifications and the amount of expenses by accounts and expense classifications, including, as applicable, security, professional, and management fees and expenses; taxes; costs for recreation facilities; expenses for refuse collection and utility services; expenses for lawn care; costs of building maintenance and repair; insurance costs; administration and

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salary expenses; and reserves, if maintained by the association.

- (d) If at least 20 percent of the unit owners petition the board for a greater level of financial reporting than that required under this section, the association shall duly notice and hold a meeting of members within 30 days after receipt of the petition to vote on raising the level of reporting for that fiscal year. Upon approval of a majority of the voting interests represented at a meeting at which a quorum of unit owners is present, the association shall prepare an amended budget or shall adopt a special assessment to pay for the financial report regardless of any provision to the contrary in the declaration or other recorded governing documents. In addition, the association shall provide within 90 days of the meeting or the end of the fiscal year, whichever occurs later:
- 1. Compiled, reviewed, or audited financial statements, if the association is otherwise required to prepare a report of cash receipts and expenditures;
- 2. Reviewed or audited financial statements, if the association is otherwise required to prepare compiled financial statements; or
- 3. Audited financial statements if the association is otherwise required to prepare reviewed financial statements.
- (e) If approved by a majority of the voting interests present at a properly called meeting of the association, an association may prepare or cause to be prepared:
- 1. A report of cash receipts and expenditures in lieu of a compiled, reviewed, or audited financial statement;
- 2. A report of cash receipts and expenditures or a compiled financial statement in lieu of a reviewed or audited financial

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statement; or

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

Section 8. Paragraphs (a), (c), and (d) of subsection (1) of section 719.106, Florida Statutes, are amended to read:

719.106 Bylaws; cooperative ownership.-

- (1) MANDATORY PROVISIONS.—The bylaws or other cooperative documents shall provide for the following, and if they do not, they shall be deemed to include the following:
 - (a) Administration.—
- 1. The form of administration of the association shall be described, indicating the titles of the officers and board of administration and specifying the powers, duties, manner of selection and removal, and compensation, if any, of officers and board members. In the absence of such a provision, the board of administration shall be composed of five members, except that in the case of cooperatives having five or fewer units, in which case in not-for-profit corporations, the board shall consist of at least not fewer than three members. In the absence of provisions to the contrary, the board of administration shall have a president, a secretary, and a treasurer, who shall perform the duties of those offices customarily performed by officers of corporations. Unless prohibited in the bylaws, the board of administration may appoint other officers and grant them those duties it deems appropriate. Unless otherwise provided in the bylaws, the officers shall serve without compensation and at the pleasure of the board. Unless otherwise provided in the bylaws, the members of the board shall serve

without compensation.

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2. A person who has been suspended or removed by the division under this chapter, or who is delinquent in the payment of any monetary obligation due the association, is not eligible to be a candidate for board membership and may not be listed on the ballot. A director or officer charged by information or indictment with a felony theft or embezzlement offense involving the association's funds or property is suspended from office. The board shall fill the vacancy according to general law until the end of the period of the suspension or the end of the director's term of office, whichever occurs first. However, if the charges are resolved without a finding of guilt or without acceptance of a plea of guilty or nolo contendere, the director or officer shall be reinstated for any remainder of his or her term of office. A member who has such criminal charges pending may not be appointed or elected to a position as a director or officer. A person who has been convicted of any felony in this state or in a United States District or Territorial Court, or who has been convicted of any offense in another jurisdiction which would be considered a felony if committed in this state, is not eligible for board membership unless such felon's civil rights have been restored for at least 5 years as of the date such person seeks election to the board. The validity of an action by the board is not affected if it is later determined that a board member is ineligible for board membership due to having been convicted of a felony.

3.2. When a unit owner files a written inquiry by certified mail with the board of administration, the board shall respond in writing to the unit owner within 30 days of receipt of the

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inquiry. The board's response shall either give a substantive response to the inquirer, notify the inquirer that a legal opinion has been requested, or notify the inquirer that advice has been requested from the division. If the board requests advice from the division, the board shall, within 10 days after of its receipt of the advice, provide in writing a substantive response to the inquirer. If a legal opinion is requested, the board shall, within 60 days after the receipt of the inquiry, provide in writing a substantive response to the inquirer. The failure to provide a substantive response to the inquirer as provided herein precludes the board from recovering attorney attorney's fees and costs in any subsequent litigation, administrative proceeding, or arbitration arising out of the inquiry. The association may, through its board of administration, adopt reasonable rules and regulations regarding the frequency and manner of responding to the unit owners' inquiries, one of which may be that the association is obligated to respond to only one written inquiry per unit in any given 30day period. In such case, any additional inquiry or inquiries must be responded to in the subsequent 30-day period, or periods, as applicable.

(c) Board of administration meetings.—Meetings of the board of administration at which a quorum of the members is present must shall be open to all unit owners. Any unit owner may tape record or videotape meetings of the board of administration. The right to attend such meetings includes the right to speak at such meetings with reference to all designated agenda items. The division shall adopt reasonable rules governing the tape recording and videotaping of the meeting. The association may

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adopt reasonable written rules governing the frequency, duration, and manner of unit owner statements. Adequate notice of all board meetings, which notice must specifically identify all agenda items, shall be posted in a conspicuous place upon the cooperative property at least 48 continuous hours preceding the meeting, except in an emergency. If 20 percent of the voting interests petition the board to address an item of business, the board shall place the item on the agenda at its next regular board meeting or at a special meeting of the board, but no later than 60 days after the petition is received. Any item not included on the notice may be taken up on an emergency basis by at least a majority plus one of the members of the board. Such emergency action shall be noticed and ratified at the next regular meeting of the board. However, written notice of any meeting at which nonemergency special assessments, or at which amendment to rules regarding unit use, will be considered shall be mailed, delivered, or electronically transmitted to the unit owners and posted conspicuously on the cooperative property at least not less than 14 days before the meeting. Evidence of compliance with this 14-day notice shall be made by an affidavit executed by the person providing the notice and filed among the official records of the association. Upon notice to the unit owners, the board shall by duly adopted rule designate a specific location on the cooperative property upon which all notices of board meetings shall be posted. In lieu of or in addition to the physical posting of notice of any meeting of the board of administration on the cooperative property, the association may, by reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and

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the agenda on a closed-circuit cable television system serving the cooperative association. However, if broadcast notice is used in lieu of a notice posted physically on the cooperative property, the notice and agenda must be broadcast at least four times every broadcast hour of each day that a posted notice is otherwise required under this section. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda. Notice of any meeting in which regular assessments against unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments. Meetings of a committee to take final action on behalf of the board or to make recommendations to the board regarding the association budget are subject to the provisions of this paragraph. Meetings of a committee that does not take final action on behalf of the board or make recommendations to the board regarding the association budget are subject to the provisions of this section, unless those meetings are exempted from this section by the bylaws of the association. Notwithstanding any other law to the contrary, the requirement that board meetings and committee meetings be open to the unit owners does not apply to board or committee meetings held for the purpose of discussing personnel matters or meetings between the board or a committee and the association's attorney, with respect to proposed or pending litigation, if the meeting is held for the purpose of seeking or rendering legal advice.

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of the shareholders. All members of the board of administration shall be elected at the annual meeting unless the bylaws provide for staggered election terms or for their election at another meeting. Any unit owner desiring to be a candidate for board membership must comply with subparagraph 1. The bylaws must provide the method for calling meetings, including annual meetings. Written notice, which must incorporate an identification of agenda items, shall be given to each unit owner at least 14 days before the annual meeting and posted in a conspicuous place on the cooperative property at least 14 continuous days preceding the annual meeting. Upon notice to the unit owners, the board must by duly adopted rule designate a specific location on the cooperative property upon which all notice of unit owner meetings are posted. In lieu of or in addition to the physical posting of the meeting notice, the association may, by reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit cable television system serving the cooperative association. However, if broadcast notice is used in lieu of a posted notice, the notice and agenda must be broadcast at least four times every broadcast hour of each day that a posted notice is otherwise required under this section. If broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda. Unless a unit owner waives in writing the right to receive notice of the annual meeting, the notice of the annual meeting must be sent by mail, hand delivered, or electronically

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transmitted to each unit owner. An officer of the association must provide an affidavit or United States Postal Service certificate of mailing, to be included in the official records of the association, affirming that notices of the association meeting were mailed, hand delivered, or electronically transmitted, in accordance with this provision, to each unit owner at the address last furnished to the association.

- 1. The board of administration shall be elected by written ballot or voting machine. A proxy may not be used in electing the board of administration in general elections or elections to fill vacancies caused by recall, resignation, or otherwise unless otherwise provided in this chapter.
- a. At least 60 days before a scheduled election, the association shall mail, deliver, or transmit, whether by separate association mailing, delivery, or electronic transmission or included in another association mailing, delivery, or electronic transmission, including regularly published newsletters, to each unit owner entitled to vote, a first notice of the date of the election. Any unit owner or other eligible person desiring to be a candidate for the board of administration must give written notice to the association at least 40 days before a scheduled election. Together with the written notice and agenda as set forth in this section, the association shall mail, deliver, or electronically transmit a second notice of election to all unit owners entitled to vote, together with a ballot that lists all candidates. Upon request of a candidate, the association shall include an information sheet, no larger than 8 1/2 inches by 11 inches, which must be furnished by the candidate at least 35 days before the election,

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to be included with the mailing, delivery, or electronic transmission of the ballot, with the costs of mailing, delivery, or transmission and copying to be borne by the association. The association is not liable for the contents of the information sheets provided by the candidates. In order to reduce costs, the association may print or duplicate the information sheets on both sides of the paper. The division shall by rule establish voting procedures consistent with this subparagraph, including rules establishing procedures for giving notice by electronic transmission and rules providing for the secrecy of ballots. Elections shall be decided by a plurality of those ballots cast. There is no quorum requirement. However, at 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 other person to vote his or her ballot, and any such ballots improperly cast are invalid. A unit owner who needs assistance in casting the ballot for the reasons stated in s. 101.051 may obtain assistance in casting the ballot. Any unit owner violating this provision may be fined by the association in accordance with s. 719.303. The regular election must occur on the date of the annual meeting. This subparagraph does not apply to timeshare cooperatives. Notwithstanding this subparagraph, an election and balloting are not required unless more candidates file a notice of intent to run or are nominated than vacancies exist on the board. Any challenge to the election process must be commenced within 60 days after the election results are announced.

b. Within 90 days after being elected or appointed to the board, each new director shall certify in writing to the secretary of the association that he or she has read the

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association's bylaws, articles of incorporation, proprietary lease, and current written policies; that he or she will work to uphold such documents and policies to the best of his or her ability; and that he or she will faithfully discharge his or her fiduciary responsibility to the association's members. Within 90 days after being elected or appointed to the board, in lieu of this written certification, the newly elected or appointed director may submit a certificate of having satisfactorily completed the educational curriculum administered by an education provider as approved by the division pursuant to the requirements established in chapter 718 within 1 year before or 90 days after the date of election or appointment. The educational certificate is valid and does not have to be resubmitted as long as the director serves on the board without interruption. A director who fails to timely file the written certification or educational certificate is suspended from service on the board until he or she complies with this subsubparagraph. The board may temporarily fill the vacancy during the period of suspension. The secretary of the association shall cause the association to retain a director's written certification or educational certificate for inspection by the members for 5 years after a director's election or the duration of the director's uninterrupted tenure, whichever is longer. Failure to have such written certification or educational certificate on file does not affect the validity of any board action.

2. Any approval by unit owners called for by this chapter, or the applicable cooperative documents, must be made at a duly noticed meeting of unit owners and is subject to this chapter or

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the applicable cooperative documents relating to unit owner decisionmaking, except that unit owners may take action by written agreement, without meetings, on matters for which action by written agreement without meetings is expressly allowed by the applicable cooperative documents or law <a href="https://documents.com/theat/background-com/theat/com/thea

- 3. Unit owners may waive notice of specific meetings if allowed by the applicable cooperative documents or law. If authorized by the bylaws, notice of meetings of the board of administration, shareholder meetings, except shareholder meetings called to recall board members under paragraph (f), and committee meetings may be given by electronic transmission to unit owners who consent to receive notice by electronic transmission.
- 4. Unit owners have the right to participate in meetings of unit owners with reference to all designated agenda items. However, the association may adopt reasonable rules governing the frequency, duration, and manner of unit owner participation.
- 5. Any unit owner may tape record or videotape meetings of the unit owners subject to reasonable rules adopted by the division.
- 6. Unless otherwise provided in the bylaws, a vacancy occurring on the board before the expiration of a term may be filled by the affirmative vote of the majority of the remaining directors, even if the remaining directors constitute less than a quorum, or by the sole remaining director. In the alternative, a board may hold an election to fill the vacancy, in which case the election procedures must conform to the requirements of subparagraph 1. unless the association has opted out of the

statutory election process, in which case the bylaws of the association control. Unless otherwise provided in the bylaws, the term of a board member appointed or elected under this subparagraph expires at the next annual meeting at which directors are elected shall fill the vacancy for the unexpired term of the seat being filled. Filling vacancies created by recall is governed by 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.

Section 9. Subsections (1), (3), (4), and (9) of section 719.108, Florida Statutes, are amended to read:

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

(1) A unit owner, regardless of how his or her title has been is acquired, including by purchase, without limitation, a purchaser at a foreclosure judicial sale or by deed in lieu of foreclosure, is shall be liable for all rents and assessments that come coming due while he or she is the unit owner is in exclusive possession of a unit. Additionally, a In a voluntary transfer, the unit owner is in exclusive possession shall be jointly and severally liable with the previous unit owner for all unpaid rents and assessments that came due against the

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previous unit owner for his or her share of the common expenses up to the time of the transfer, as well as interest, late charges, and reasonable costs and attorney fees incurred by the association incident to the collection process. This liability is without prejudice to any right the rights of the unit owner may have in exclusive possession to recover from the previous unit owner the amounts paid by the unit owner in exclusive possession therefor. For purposes of this subsection, the term "previous owner" does not include an association that acquires title to a delinquent property through foreclosure or by deed in lieu of foreclosure. The present unit owner's liability for unpaid assessments, interest, late charges, and reasonable costs and attorney fees incurred by the association incident to the collection process is limited to those amounts that accrued before the association acquired title to the delinquent property through foreclosure or by deed in lieu of foreclosure.

(3) Rents and assessments, and installments on them, not paid when due bear interest at the rate provided in the cooperative documents from the date due until paid. This rate may not exceed the rate allowed by law and, if a rate is not provided in the cooperative documents, accrues at 18 percent per annum. If the cooperative documents or bylaws so provide, the association may charge an administrative late fee in addition to such interest, not to exceed the greater of \$25 or 5 percent of each installment of the assessment for each delinquent installment that the payment is late. Any payment received by an association must be applied first to any interest accrued by the association, then to any administrative late fee, then to any costs and reasonable costs and attorney attorney's fees incurred

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in collection, and then to the delinquent assessment. The foregoing applies notwithstanding any restrictive endorsement, designation, or instruction placed on or accompanying a payment. A late fee is not subject to chapter 687 or s. 719.303(4).

- (4) The association has a lien on each cooperative parcel for any unpaid rents and assessments, plus interest, and any authorized administrative late fees. If authorized by the cooperative documents, the lien also secures reasonable costs and attorney attorney's fees incurred by the association incident to the collection of the rents and assessments or enforcement of such lien. The lien is effective from and after recording a claim of lien in the public records in the county in which the cooperative parcel is located which states the description of the cooperative parcel, the name of the unit owner, the amount due, and the due dates. The lien expires if a claim of lien is not filed within 1 year after the date the assessment was due, and the lien does not continue for longer than 1 year after the claim of lien has been recorded unless, within that time, an action to enforce the lien is commenced. Except as otherwise provided in this chapter, a lien may not be filed by the association against a cooperative parcel until 30 days after the date on which a notice of intent to file a lien has been delivered to the owner.
- (a) The notice must be sent to the unit owner at the address of the unit by first-class United States mail and:
- 1. If the most recent address of the unit owner on the records of the association is the address of the unit, the notice must be sent by registered or certified mail, return receipt requested, to the unit owner at the address of the unit.

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

- 3. If the most recent address of the unit owner on the records of the association is not in the United States, the notice must be sent by first-class United States mail to the unit owner at his or her most recent address.
- (b) A notice that is sent pursuant to this subsection is deemed delivered upon mailing.
- (9) The specific purposes of any special assessment, including any contingent special assessment levied in conjunction with the purchase of an insurance policy authorized by s. 719.104(3), approved in accordance with the cooperative documents shall be set forth in a written notice of such assessment sent or delivered to each unit owner. The funds collected pursuant to a special assessment may shall be used only for the specific purpose or purposes set forth in such notice or returned to the unit owners. However, upon completion of such specific purposes, any excess funds shall be considered common surplus and may, at the discretion of the board, either be returned to the unit owners or applied as a credit toward future assessments.

Section 10. Section 719.128, Florida Statutes, is created to read:

719.128 Association emergency powers.-

(1) To the extent allowed by law, unless specifically prohibited by the cooperative documents, and consistent with s.

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617.0830, the board of administration, in response to damage caused by an event for which a state of emergency is declared pursuant to s. 252.36 in a location in which the cooperative is located, may exercise the following powers:

- (a) Conduct board or membership meetings with notice of the meetings and board decisions provided as is practicable, including via publication, radio, United States mail, the Internet, public service announcements, conspicuous posting on the cooperative property, or any other means the board deems appropriate under the circumstances.
 - (b) Cancel and reschedule an association meeting.
- (c) Name assistant officers who are not directors. An assistant officer has the same authority during the state of emergency as the executive officer he or she assists if that executive officer is incapacitated or unavailable.
- (d) Relocate the association's principal office or designate an alternative principal office.
- (e) Enter into agreements with counties and municipalities to assist counties and municipalities with debris removal.
- (f) Implement a disaster plan before or immediately following the event for which a state of emergency is declared which may include, but is not limited to, shutting off elevators; electricity; water, sewer, or security systems; or air conditioners.
- (g) Based upon the advice of emergency management officials or upon the advice of licensed professionals retained by the board, determine any portion of the cooperative property unavailable for entry or occupancy by unit owners or their family members, tenants, guests, agents, or invitees to protect

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their health, safety, or welfare.

(h) Based upon the advice of emergency management officials or upon the advice of licensed professionals retained by the board, determine whether the cooperative property can be safely inhabited or occupied. However, such determination is not conclusive as to any determination of habitability pursuant to the declaration.

- (i) Require the evacuation of the cooperative property in the event of a mandatory evacuation order in the location in which the cooperative is located. If a unit owner or other occupant of a cooperative fails to evacuate the cooperative property for which the board has required evacuation, the association is immune from liability for injury to persons or property arising from such failure.
- (j) Mitigate further damage, including taking action to contract for the removal of debris and to prevent or mitigate the spread of fungus, including, but not limited to, mold or mildew, by removing and disposing of wet drywall, insulation, carpet, cabinetry, or other fixtures on or within the cooperative property, regardless of whether the unit owner is obligated by the declaration or law to insure or replace those fixtures and to remove personal property from a unit.
- (k) Contract, on behalf of a unit owner, for items or services for which the owner is otherwise individually responsible, but which are necessary to prevent further damage to the cooperative property. In such event, the unit owner on whose behalf the board has contracted is responsible for reimbursing the association for the actual costs of the items or services, and the association may use its lien authority

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provided by s. 719.108 to enforce collection of the charges.

Without limitation, such items or services may include the drying of units, the boarding of broken windows or doors, and the replacement of damaged air conditioners or air handlers to provide climate control in the units or other portions of the property.

- (1) Notwithstanding a provision to the contrary, and regardless of whether such authority does not specifically appear in the cooperative documents, levy special assessments without a vote of the owners.
- (m) Without unit owners' approval, borrow money and pledge association assets as collateral to fund emergency repairs and carry out the duties of the association if operating funds are insufficient. This paragraph does not limit the general authority of the association to borrow money, subject to such restrictions contained in the cooperative documents.
- (2) The authority granted under subsection (1) is limited to that time reasonably necessary to protect the health, safety, and welfare of the association and the unit owners and their family members, tenants, guests, agents, or invitees, and to mitigate further damage and make emergency repairs.

Section 11. Paragraphs (a) and (b) of subsection (2) of section 720.3085, Florida Statutes, are amended to read:

720.3085 Payment for assessments; lien claims.-

(2) (a) A parcel owner <u>is liable for all assessments that</u> <u>come due while the parcel owner owns the parcel</u>, regardless of how <u>the parcel owner acquired</u> <u>his or her</u> title to <u>the</u> property <u>has been acquired</u>, including by purchase at a foreclosure sale <u>or by deed in lieu of foreclosure</u>, is <u>liable for all assessments</u>

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that come due while he or she is the parcel owner. The parcel owner's liability for assessments may not be avoided by waiver or suspension of the use or enjoyment of any common area or by abandonment of the parcel upon which the assessments are made.

(b) A parcel owner is jointly and severally liable with the previous parcel owner for all unpaid assessments that came due up to the time of transfer of title, as well as interest, late charges, and reasonable costs and attorney fees incurred by the association incident to the collection process. This liability is without prejudice to any right the present parcel owner may have to recover any amounts paid by the present owner from the previous owner. For the purposes of this paragraph, the term "previous owner" does shall not include an association that acquires title to a delinquent property through foreclosure or by deed in lieu of foreclosure. The present parcel owner's liability for unpaid assessments, interest, late charges, and reasonable costs and attorney fees incurred by the association incident to the collection process is limited to the amounts any unpaid assessments that accrued before the association acquired title to the delinquent property through foreclosure or by deed in lieu of foreclosure.

Section 12. Section 720.316, Florida Statutes, is created to read:

720.316 Association emergency powers.—

(1) To the extent allowed by law, unless specifically prohibited by the governing documents, and consistent with s. 617.0830, the board of directors, in response to damage caused by an event for which a state of emergency is declared pursuant to s. 252.36 in a location in which the association is located,

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may exercise the following powers:

- (a) Conduct board or membership meetings with notice of the meetings and board decisions provided as is practicable, including via publication, radio, United States mail, the Internet, public service announcements, conspicuous posting on the association property, or any other means the board deems appropriate under the circumstances.
 - (b) Cancel and reschedule an association meeting.
- (c) Name assistant officers who are not directors. An assistant officer has the same authority during the state of emergency as the executive officer he or she assists if that executive officer is incapacitated or unavailable.
- (d) Relocate the association's principal office or designate an alternative principal office.
- (e) Enter into agreements with counties and municipalities to assist counties and municipalities with debris removal.
- (f) Implement a disaster plan before or immediately following the event for which a state of emergency is declared which may include, but is not limited to, shutting off elevators; electricity; water, sewer, or security systems; or air conditioners for association buildings.
- (g) Based upon the advice of emergency management officials or upon the advice of licensed professionals retained by the board, determine any portion of the association property unavailable for entry or occupancy by owners or their family members, tenants, guests, agents, or invitees to protect their health, safety, or welfare.
- (h) Based upon the advice of emergency management officials or upon the advice of licensed professionals retained by the

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board, determine whether the association property can be safely inhabited or occupied. However, such determination is not conclusive as to any determination of habitability pursuant to the declaration.

- (i) Mitigate further damage, including taking action to contract for the removal of debris and to prevent or mitigate the spread of fungus, including, but not limited to, mold or mildew, by removing and disposing of wet drywall, insulation, carpet, cabinetry, or other fixtures on or within the association property.
- (j) Notwithstanding a provision to the contrary, and regardless of whether such authority does not specifically appear in the governing documents, levy special assessments without a vote of the owners.
- (k) Without owners' approval, borrow money and pledge association assets as collateral to fund emergency repairs and carry out the duties of the association if operating funds are insufficient. This paragraph does not limit the general authority of the association to borrow money, subject to such restrictions contained in the governing documents.
- (2) The authority granted under subsection (1) is limited to that time reasonably necessary to protect the health, safety, and welfare of the association and the parcel owners and their family members, tenants, guests, agents, or invitees, and to mitigate further damage and make emergency repairs.
 - Section 13. This act shall take effect July 1, 2014.