

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative La Rosa offered the following:

2
3 **Amendment to Substitute Amendment (583529) (with title**
4 **amendment)**

5 Remove lines 423-595 of the substitute amendment and
6 insert:
7 association. An association may not waive the financial
8 reporting requirements of this section for more than 3
9 consecutive years.

10 (e) If an association has not provided the unit owner with
11 a copy of the financial report after receipt of a written
12 request within the time required pursuant to this section, the
13 unit owner may contact the division to report the association's
14 failure to comply. Upon notification, the division shall contact

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15 the association to request that the association provide the copy
16 of the financial report to the unit owner within 5 business
17 days. If the association further fails to provide the copy of
18 the financial report, the association must provide a copy of the
19 financial report to the division within 7 business days.
20 Additionally, the association must provide a copy of the
21 financial report to the division for the 2 subsequent fiscal
22 years within 21 days after the final financial report is
23 completed by the association or received from the third party
24 and may not waive the financial reporting requirement as
25 provided in paragraph (d). The division shall maintain the
26 financial reports and provide a copy of the financial reports to
27 members of the association upon request.

28 Section 2. Paragraph (c) of subsection (3) of section
29 718.117, Florida Statutes, is amended to read:

30 718.117 Termination of condominium.—

31 (3) OPTIONAL TERMINATION.—Except as provided in subsection
32 (2) or unless the declaration provides for a lower percentage,
33 the condominium form of ownership may be terminated for all or a
34 portion of the condominium property pursuant to a plan of
35 termination approved by at least 80 percent of the total voting
36 interests of the condominium. If 10 percent or more of the total
37 voting interests of the condominium have rejected the plan of
38 termination by negative vote or by providing written objections,
39 the plan of termination may not proceed.

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40 (c) For purposes of this subsection, the term "bulk owner"
41 means the single holder of such voting interests or an owner
42 together with a related entity or entities that would be
43 considered an insider, as defined in s. 726.102, holding such
44 voting interests. If the condominium association is a
45 residential association proposed for termination pursuant to
46 this section and, at the time of recording the plan of
47 termination, at least 80 percent of the total voting interests
48 are owned by a bulk owner, the plan of termination is subject to
49 the following conditions and limitations:

50 1. If the former condominium units are offered for lease
51 to the public after the termination, each unit owner in
52 occupancy immediately before the date of recording of the plan
53 of termination may lease his or her former unit and remain in
54 possession of the unit for 12 months after the effective date of
55 the termination on the same terms as similar unit types within
56 the property are being offered to the public. In order to obtain
57 a lease and exercise the right to retain exclusive possession of
58 the unit owner's former unit, the unit owner must make a written
59 request to the termination trustee to rent the former unit
60 within 90 days after the date the plan of termination is
61 recorded. Any unit owner who fails to timely make such written
62 request and sign a lease within 15 days after being presented
63 with a lease is deemed to have waived his or her right to retain
64 possession of his or her former unit and shall be required to
65 vacate the former unit upon the effective date of the

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66 termination, unless otherwise provided in the plan of
67 termination.

68 2. Any former unit owner whose unit was granted homestead
69 exemption status by the applicable county property appraiser as
70 of the date of the recording of the plan of termination shall be
71 paid a relocation payment in an amount equal to 1 percent of the
72 termination proceeds allocated to the owner's former unit. Any
73 relocation payment payable under this subparagraph shall be paid
74 by the single entity or related entities owning at least 80
75 percent of the total voting interests. Such relocation payment
76 shall be in addition to the termination proceeds for such
77 owner's former unit and shall be paid no later than 10 days
78 after the former unit owner vacates his or her former unit.

79 3. For their respective units, all unit owners other than
80 the bulk owner must be compensated at least 100 percent of the
81 fair market value of their units. The fair market value shall be
82 determined as of a date that is no earlier than 90 days before
83 the date that the plan of termination is recorded and shall be
84 determined by an independent appraiser selected by the
85 termination trustee. For an original purchaser from the
86 developer who rejects the plan of termination ~~and whose unit was~~
87 ~~granted homestead exemption status by the applicable county~~
88 ~~property appraiser,~~ or was an owner-occupied operating business,
89 as of the date that the plan of termination is recorded and who
90 is current in payment of both assessments and other monetary
91 obligations to the association and any mortgage encumbering the

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92 unit as of the date the plan of termination is recorded, the
93 fair market value for the unit owner rejecting the plan shall be
94 at least the original purchase price paid for the unit. For
95 purposes of this subparagraph, the term "fair market value"
96 means the price of a unit that a seller is willing to accept and
97 a buyer is willing to pay on the open market in an arms-length
98 transaction based on similar units sold in other condominiums,
99 including units sold in bulk purchases but excluding units sold
100 at wholesale or distressed prices. The purchase price of units
101 acquired in bulk following a bankruptcy or foreclosure shall not
102 be considered for purposes of determining fair market value.

103 4. The plan of termination must provide for payment of a
104 first mortgage encumbering a unit to the extent necessary to
105 satisfy the lien, but the payment may not exceed the unit's
106 share of the proceeds of termination under the plan. If the unit
107 owner is current in payment of both assessments and other
108 monetary obligations to the association and any mortgage
109 encumbering the unit as of the date the plan of termination is
110 recorded, the receipt by the holder of the unit's share of the
111 proceeds of termination under the plan or the outstanding
112 balance of the mortgage, whichever is less, shall be deemed to
113 have satisfied the first mortgage in full.

114 5. Before a plan of termination is presented to the unit
115 owners for consideration pursuant to this paragraph, the plan
116 must include the following written disclosures in a sworn
117 statement:

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118 a. The identity of any person or entity that owns or
119 controls 50 percent or more of the units in the condominium and,
120 if the units are owned by an artificial entity or entities, a
121 disclosure of the natural person or persons who, directly or
122 indirectly, manage or control the entity or entities and the
123 natural person or persons who, directly or indirectly, own or
124 control 20 percent or more of the artificial entity or entities
125 that constitute the bulk owner.

126 b. The units acquired by any bulk owner, the date each
127 unit was acquired, and the total amount of compensation paid to
128 each prior unit owner by the bulk owner, regardless of whether
129 attributed to the purchase price of the unit.

130 c. The relationship of any board member to the bulk owner
131 or any person or entity affiliated with the bulk owner subject
132 to disclosure pursuant to this subparagraph.

133 Section 3. Subsection (4) of section 719.104, Florida
134 Statutes, is amended to read:

135 719.104 Cooperatives; access to units; records; financial
136 reports; assessments; purchase of leases.—

137 (4) FINANCIAL REPORT.—

138 (a) Within 90 days following the end of the fiscal or
139 calendar year or annually on such date as provided in the bylaws
140 of the association, the board of administration shall prepare
141 and complete, or contract with a third party to prepare and
142 complete, a financial report covering the preceding fiscal or
143 calendar year. Within 21 days after the financial report is

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144 completed by the association or received from the third party,
145 but no later than 120 days after the end of the fiscal year,
146 calendar year, or other date provided in the bylaws, the
147 association shall provide each member with a copy of the annual
148 financial report or a written notice that a copy of the
149 financial report is available upon request at no charge to the
150 member. The division shall adopt rules setting forth uniform
151 accounting principles, standards, and reporting requirements.

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

158 1. An association with total annual revenues between
159 \$150,000 and \$299,999 shall prepare a compiled financial
160 statement.

161 2. An association with total annual revenues between
162 \$300,000 and \$499,999 shall prepare a reviewed financial
163 statement.

164 3. An association with total annual revenues of \$500,000
165 or more shall prepare an audited financial statement.

166 4. The requirement to have the financial statement
167 compiled, reviewed, or audited does not apply to an association
168 if a majority of the voting interests of the association present
169 at a duly called meeting of the association have voted to waive

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170 this requirement for the fiscal year. In an association in which
171 turnover of control by the developer has not occurred, the
172 developer may vote to waive the audit requirement for the first
173 2 years of operation of the association, after which time waiver
174 of an applicable audit requirement shall be by a majority of
175 voting interests other than the developer. The meeting shall be
176 held prior to the end of the fiscal year, and the waiver shall
177 be effective for only one fiscal year. An association may not
178 waive the financial reporting requirements of this section for
179 more than 3 consecutive years.

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182 **T I T L E A M E N D M E N T**

183 Remove lines 1071-1084 of the substitute amendment and
184 insert:

185 in lieu of certain financial statements; providing a
186 remedy for an association's failure to provide a unit
187 owner with a copy of the financial report; requiring
188 the Division of Florida Condominiums, Timeshares, and
189 Mobile Homes to maintain and provide copies of
190 financial reports; amending s. 718.117, F.S.;
191 expanding recovery of fair market value to all
192 original purchasers who reject a plan of termination;
193 amending s. 719.104, F.S.; deleting a provision
194 authorizing cooperative

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