



908458

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/03/2016	.	
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The Committee on Regulated Industries (Richter) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Paragraph (b) of subsection (13) of section
718.111, Florida Statutes, is amended, and paragraph (e) is
added to that subsection to read:

718.111 The association.—

(13) FINANCIAL REPORTING.—Within 90 days after the end of
the fiscal year, or annually on a date provided in the bylaws,



11 the association shall prepare and complete, or contract for the
12 preparation and completion of, a financial report for the
13 preceding fiscal year. Within 21 days after the final financial
14 report is completed by the association or received from the
15 third party, but not later than 120 days after the end of the
16 fiscal year or other date as provided in the bylaws, the
17 association shall mail to each unit owner at the address last
18 furnished to the association by the unit owner, or hand deliver
19 to each unit owner, a copy of the financial report or a notice
20 that a copy of the financial report will be mailed or hand
21 delivered to the unit owner, without charge, upon receipt of a
22 written request from the unit owner. The division shall adopt
23 rules setting forth uniform accounting principles and standards
24 to be used by all associations and addressing the financial
25 reporting requirements for multicondominium associations. The
26 rules must include, but not be limited to, standards for
27 presenting a summary of association reserves, including a good
28 faith estimate disclosing the annual amount of reserve funds
29 that would be necessary for the association to fully fund
30 reserves for each reserve item based on the straight-line
31 accounting method. This disclosure is not applicable to reserves
32 funded via the pooling method. In adopting such rules, the
33 division shall consider the number of members and annual
34 revenues of an association. Financial reports shall be prepared
35 as follows:

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

39 ~~2. An association that operates fewer than 50 units,~~



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40 ~~regardless of the association's annual revenues, shall prepare a~~
41 ~~report of cash receipts and expenditures in lieu of financial~~
42 ~~statements required by paragraph (a).~~

43 2.3. A report of cash receipts and disbursements must
44 disclose the amount of receipts by accounts and receipt
45 classifications and the amount of expenses by accounts and
46 expense classifications, including, but not limited to, the
47 following, as applicable: costs for security, professional and
48 management fees and expenses, taxes, costs for recreation
49 facilities, expenses for refuse collection and utility services,
50 expenses for lawn care, costs for building maintenance and
51 repair, insurance costs, administration and salary expenses, and
52 reserves accumulated and expended for capital expenditures,
53 deferred maintenance, and any other category for which the
54 association maintains reserves.

55 (e) If an association has not provided the unit owner with
56 a copy of the financial report within the time required pursuant
57 to this section, after receipt of a written request from the
58 unit owner, the unit owner may notify the division of the
59 association's failure to provide the financial report. The
60 division shall contact the association to request the
61 association to provide the copy of the financial report to the
62 unit owner within 5 working days after notification to the
63 division by the unit owner. If the association further fails to
64 provide the copy of the financial report, the association shall
65 be required to provide a copy of the financial report to the
66 division within 7 working days after such notification.
67 Additionally, the association shall provide a copy of the
68 financial report to the division for the 2 subsequent fiscal



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69 years within 21 days after the final financial report is
70 completed by the association or received from the third party
71 and shall notify the unit owners that the financial report has
72 been filed with the division. The division shall maintain the
73 financial reports and provide a copy of the financial reports to
74 members of the public upon request.

75 Section 2. Paragraph (c) of subsection (4) of section
76 719.104, Florida Statutes, is amended, and paragraph (f) is
77 added to that subsection to read:

78 719.104 Cooperatives; access to units; records; financial
79 reports; assessments; purchase of leases.-

80 (4) FINANCIAL REPORT.-

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

84 ~~2. An association in a community of fewer than 50 units,~~
85 ~~regardless of the association's annual revenues, shall prepare a~~
86 ~~report of cash receipts and expenditures in lieu of the~~
87 ~~financial statements required by paragraph (b), unless the~~
88 ~~declaration or other recorded governing documents provide~~
89 ~~otherwise.~~

90 2.3. A report of cash receipts and expenditures must
91 disclose the amount of receipts by accounts and receipt
92 classifications and the amount of expenses by accounts and
93 expense classifications, including the following, as applicable:
94 costs for security, professional, and management fees and
95 expenses; taxes; costs for recreation facilities; expenses for
96 refuse collection and utility services; expenses for lawn care;
97 costs for building maintenance and repair; insurance costs;



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

100 (f) If an association has not provided the unit owner with
101 a copy of the financial report within the time required as
102 provided in paragraph (a), after receipt of a written request
103 from the unit owner, the unit owner may notify the division of
104 the association's failure to provide the financial report. The
105 division shall contact the association to request the
106 association to provide the copy of the financial report to the
107 unit owner within 5 working days after notification to the
108 division by the unit owner. If the association further fails to
109 provide the copy of the financial report, the association shall
110 be required to provide a copy of the financial report to the
111 division within 7 working days after such notification.
112 Additionally, the association shall provide a copy of the
113 financial report to the division for the 2 subsequent fiscal
114 years within 21 days after the final financial report is
115 completed by the association or received from the third party
116 and shall notify the unit owners that the financial report has
117 been filed with the division. The division shall maintain the
118 financial reports and provide a copy of the financial reports to
119 members of the public upon request.

120 Section 3. Paragraph (b) of subsection (7) of section
121 720.303, Florida Statutes, is amended, and paragraph (e) is
122 added to that subsection to read:

123 720.303 Association powers and duties; meetings of board;
124 official records; budgets; financial reporting; association
125 funds; recalls.—

126 (7) FINANCIAL REPORTING.—Within 90 days after the end of



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127 the fiscal year, or annually on the date provided in the bylaws,
128 the association shall prepare and complete, or contract with a
129 third party for the preparation and completion of, a financial
130 report for the preceding fiscal year. Within 21 days after the
131 final financial report is completed by the association or
132 received from the third party, but not later than 120 days after
133 the end of the fiscal year or other date as provided in the
134 bylaws, the association shall, within the time limits set forth
135 in subsection (5), provide each member with a copy of the annual
136 financial report or a written notice that a copy of the
137 financial report is available upon request at no charge to the
138 member. Financial reports shall be prepared as follows:

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

142 ~~2. An association in a community of fewer than 50 parcels,~~
143 ~~regardless of the association's annual revenues, may prepare a~~
144 ~~report of cash receipts and expenditures in lieu of financial~~
145 ~~statements required by paragraph (a) unless the governing~~
146 ~~documents provide otherwise.~~

147 2.3. A report of cash receipts and disbursement must
148 disclose the amount of receipts by accounts and receipt
149 classifications and the amount of expenses by accounts and
150 expense classifications, including, but not limited to, the
151 following, as applicable: costs for security, professional, and
152 management fees and expenses; taxes; costs for recreation
153 facilities; expenses for refuse collection and utility services;
154 expenses for lawn care; costs for building maintenance and
155 repair; insurance costs; administration and salary expenses; and



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156 reserves if maintained by the association.

157 (e) If an association has not provided the unit owner with
158 a copy of the financial report within the time required pursuant
159 to this section, after receipt of a written request from the
160 unit owner, the unit owner may notify the division of the
161 association's failure to comply. The division shall contact the
162 association to request the association to provide the copy of
163 the financial report to the unit owner within 5 full business
164 days after notification to the division by the unit owner. If
165 the association further fails to provide the copy of the
166 financial report, the association shall be required to provide a
167 copy of the financial report to the division within 7 full
168 business days after such notification. Additionally, the
169 association shall provide a copy of the financial report to the
170 division for the 2 subsequent fiscal years within 21 days after
171 the final financial report is completed by the association or
172 received from the third party and shall notify the unit owners
173 that the financial report has been filed with the division. The
174 division shall maintain the financial reports and provide a copy
175 of the financial reports to members of the public upon request.

176 Section 4. This act shall take effect July 1, 2016.

177
178 ===== T I T L E A M E N D M E N T =====

179 And the title is amended as follows:

180 Delete everything before the enacting clause
181 and insert:

182 A bill to be entitled
183 An act relating to community associations; amending
184 ss. 718.111, 719.104, and 720.303, F.S.; deleting a



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185 provision authorizing certain associations to prepare
186 a report of cash receipts and expenditures in lieu of
187 specified financial statements; requiring certain
188 condominium, cooperative, and homeowners' associations
189 to provide financial reports to the Division of
190 Florida Condominiums, Timeshares, and Mobile Homes
191 under certain circumstances; providing an effective
192 date.