

1 A bill to be entitled
2 An act relating to community associations; amending s.
3 718.111, F.S.; revising records required to be
4 maintained by a condominium association; providing
5 requirements relating to the posting of specified
6 documents on an association's website; providing that
7 physical copies of the official records of the
8 association are open to inspection by certain persons;
9 requiring an outgoing board or committee member to
10 relinquish administrative rights or controls of an
11 association's website or other digital or electronic
12 asset of the association; deleting a provision
13 authorizing certain associations to prepare a report
14 of cash receipts and expenditures in lieu of certain
15 financial statements; providing a remedy for an
16 association's failure to provide a unit owner with a
17 copy of the financial report; requiring the Division
18 of Florida Condominiums, Timeshares, and Mobile Homes
19 to maintain and provide copies of financial reports;
20 amending s. 719.104, F.S.; deleting a provision
21 authorizing cooperative associations to prepare a
22 report of cash receipts and expenditures in lieu of
23 certain financial statements; providing a remedy for
24 an association's failure to provide a unit owner with
25 a copy of the financial report; requiring the division
26 to maintain and provide copies of financial reports;

27 | amending s. 720.303, F.S., revising records required
 28 | to be maintained by a homeowners' association;
 29 | providing requirements relating to the posting of
 30 | specified documents on an association's website;
 31 | deleting a provision authorizing associations to
 32 | prepare a report of cash receipts and expenditures in
 33 | lieu of certain financial statements; providing a
 34 | remedy for an association's failure to provide a
 35 | member with a copy of the financial report; requiring
 36 | the division to maintain and provide copies of
 37 | financial reports; amending ss. 720.306 and 720.311,
 38 | F.S.; conforming cross-references; providing an
 39 | effective date.

40 |
 41 | Be It Enacted by the Legislature of the State of Florida:

42 |
 43 | Section 1. Subsections (12) and (13) of section 718.111,
 44 | Florida Statutes, are amended to read:

45 | 718.111 The association.—

46 | (12) OFFICIAL RECORDS.—

47 | (a) From the inception of the association, the association
 48 | shall maintain each of the following items, if applicable, which
 49 | constitutes the official records of the association:

50 | 1. A copy of the plans, specifications, permits, and
 51 | warranties related to improvements to the common areas or other
 52 | property that the association is obligated to maintain, repair,

53 or replace, and other items provided by the developer pursuant
54 to s. 718.301(4).

55 2. A photocopy of the recorded declaration of condominium
56 of each condominium operated by the association and each
57 amendment to each declaration.

58 3. A photocopy of the recorded bylaws of the association
59 and each amendment to the bylaws.

60 4. A certified copy of the articles of incorporation of
61 the association, or other documents creating the association,
62 and each amendment thereto.

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

64 6. A book or books that contain the minutes of all
65 meetings of the association, the board of administration, and
66 the unit owners, which minutes must be retained for at least 7
67 years.

68 7. A current roster of all unit owners and their mailing
69 addresses, unit identifications, voting certifications, and, if
70 known, telephone numbers. The association shall also maintain
71 the e-mail ~~electronic mailing~~ addresses and facsimile numbers of
72 unit owners consenting to receive notice by electronic
73 transmission. The e-mail ~~electronic mailing~~ addresses and
74 facsimile numbers are not accessible to unit owners if consent
75 to receive notice by electronic transmission is not provided in
76 accordance with subparagraph (d)5. The e-mail addresses and
77 facsimile numbers provided by unit owners to receive notice by
78 electronic transmission must be removed from association records

79 if the unit owner revokes his or her consent to receive notice
80 by electronic transmission ~~(e)~~5. However, the association is not
81 liable for an inadvertent disclosure of the e-mail ~~electronic~~
82 ~~mail~~ address or facsimile number for receiving electronic
83 transmission of notices.

84 8. All current insurance policies of the association and
85 condominiums operated by the association.

86 9. A current copy of any management agreement, lease, or
87 other contract to which the association is a party or under
88 which the association or the unit owners have an obligation or
89 responsibility. Bids for materials, equipment, or services are
90 official records and must be maintained by the association for 1
91 year.

92 10. Bills of sale or transfer for all property owned by
93 the association.

94 11. Financial and accounting records for the association
95 and separate financial and accounting records for each
96 condominium that the association operates. All financial and
97 accounting records must be maintained for at least 7 years. Any
98 person who knowingly or intentionally defaces or destroys such
99 records, or who knowingly or intentionally fails to create or
100 maintain such records, with the intent of causing harm to the
101 association or one or more of its members, is personally subject
102 to a civil penalty pursuant to s. 718.501(1)(d). The financial
103 and accounting records must include, but are not limited to:

104 a. Accurate, itemized, and detailed records of all

105 receipts and expenditures.

106 b. A current account and a monthly, bimonthly, or
 107 quarterly statement of the account for each unit designating the
 108 name of the unit owner, the due date and amount of each
 109 assessment, the amount paid on the account, and the balance due.

110 c. All tax returns, audits, reviews, accounting
 111 statements, and financial reports of the association or
 112 condominium.

113 d. Any records that identify, measure, record, or
 114 communicate financial information ~~All contracts for work to be~~
 115 ~~performed. Bids for work to be performed are also considered~~
 116 ~~official records and must be maintained by the association.~~

117 12. Ballots, sign-in sheets, voting proxies, and all other
 118 papers relating to voting by unit owners, which must be
 119 maintained for 1 year from the date of the election, vote, or
 120 meeting to which the document relates, notwithstanding paragraph
 121 (b).

122 13. All rental records if the association is acting as
 123 agent for the rental of condominium units.

124 14. A copy of the current question and answer sheet as
 125 described in s. 718.504.

126 15. All other written records of the association not
 127 specifically included in the foregoing which are related to the
 128 operation of the association.

129 16. A copy of the inspection report as described in s.
 130 718.301(4)(p).

131 (b) The official records of the association must be
 132 maintained within the state for at least 7 years. The records of
 133 the association shall be made available to a unit owner within
 134 45 miles of the condominium property or within the county in
 135 which the condominium property is located within 5 working days
 136 after receipt of a written request by the board or its designee.
 137 However, such distance requirement does not apply to an
 138 association governing a timeshare condominium. This paragraph
 139 may be complied with by having a copy of the official records of
 140 the association available for inspection or copying on the
 141 condominium property or association property, or the association
 142 may offer the option of making the records available to a unit
 143 owner electronically via the Internet or by allowing the records
 144 to be viewed in electronic format on a computer screen and
 145 printed upon request. The association is not responsible for the
 146 use or misuse of the information provided to an association
 147 member or his or her authorized representative pursuant to the
 148 compliance requirements of this chapter unless the association
 149 has an affirmative duty not to disclose such information
 150 pursuant to this chapter.

151 (c)1. An association with 500 or more units shall post
 152 digital copies of the documents specified in subparagraph 2. on
 153 the association's website.

154 a. An association's website must be:

155 (I) An independent website or web portal wholly owned and
 156 operated by the association; or

157 (II) A website or web portal operated by a third party
158 provider with whom the association owns, leases, rents, or
159 otherwise obtains the right to operate a web page, subpage, web
160 portal, or collection of subpages or web portals dedicated to
161 the association's activities and where required notices,
162 records, and documents may be posted by the association.

163 b. The association's website must be accessible through
164 the Internet and must contain a subpage, web portal, or other
165 protected electronic location that is inaccessible to the
166 general public and accessible only to unit owners and employees
167 of the association.

168 c. The association must provide each unit owner with
169 access to the protected sections of the association's website
170 that contain any notices, records, or documents that must be
171 electronically provided.

172 2. The following documents must be posted in digital
173 format on the website:

174 a. Copies of the official records described in paragraph
175 (a). However, the current roster of all unit owners with their
176 mailing addresses and unit identifications may not be posted in
177 digital format on the website. The website must include the
178 following statement: "A current roster of all unit owners and
179 their mailing addresses and unit identifications is available at
180 the request of any unit owner or unit owner representative,
181 including the e-mail addresses of the unit owners who have
182 consented to receive notice by electronic transmission." The

183 notice shall include the e-mail address of the person to contact
184 for a copy of the roster.

185 b. The annual budget required by s. 718.112(2)(f) and any
186 proposed budget to be considered at the annual meeting.

187 c. The financial report required by subsection (13) and
188 any proposed financial report to be considered at a meeting.

189 d. Any document created by the association or a board
190 member relating to the recall of a member, pursuant to s.
191 718.112(2)(j), or any document created for or filed by the
192 association in an arbitration proceeding conducted by the
193 division regarding the recall of a member.

194 e. The certification of each director required by s.
195 718.112(2)(d)4.b.

196 f. A list of all contracts or transactions between the
197 association and any director, officer, corporation, firm, or
198 association that is not an affiliated condominium association or
199 any other entity in which an association director is also a
200 director or officer and financially interested.

201 g. Any fidelity bond entered into by the association.

202 h. Any contract or document regarding a conflict of
203 interest or possible conflict of interest as provided in ss.
204 468.436(2) and 718.3026(3).

205 i. Notice of any board meeting and the agenda for the
206 meeting, as required by s. 718.112(2)(d)3., no later than 14
207 days before the meeting. The notice must be posted in plain view
208 on the front page, or on a separate subpage labeled "Notices"

209 which is conspicuously visible and linked from the front page of
210 the association's website. The association must post on the
211 association's website any documents to be considered during the
212 meeting or listed on the agenda at least 7 days before the
213 meeting at which the document or the information within the
214 document will be considered, unless otherwise stated, including
215 the following documents:

216 (I) The proposed annual budget required by s.
217 718.112(2)(f), which must be provided at least 14 days before
218 the meeting.

219 (II) The proposed financial report required by subsection
220 (13).

221 (III) A list of persons seeking to be elected to the
222 board.

223 3. The association shall ensure that the information and
224 records described in paragraph (d), which are not permitted to
225 be accessible to unit owners, are not posted on the
226 association's website. If protected information or information
227 restricted from being accessible to unit owners is included in
228 documents that are required to be posted on the association's
229 website, the association shall ensure the information is
230 redacted before posting the documents online.

231 (d)-(e) Physical copies of the official records of the
232 association are open to inspection by any association member or
233 the authorized representative of such member at all reasonable
234 times. The right to inspect the records includes the right to

235 make or obtain copies, at the reasonable expense, if any, of the
236 member. The association may adopt reasonable rules regarding the
237 frequency, time, location, notice, and manner of record
238 inspections and copying. The failure of an association to
239 provide the records within 10 working days after receipt of a
240 written request creates a rebuttable presumption that the
241 association willfully failed to comply with this paragraph. A
242 unit owner who is denied access to official records is entitled
243 to the actual damages or minimum damages for the association's
244 willful failure to comply. Minimum damages are \$50 per calendar
245 day for up to 10 days, beginning on the 11th working day after
246 receipt of the written request. The failure to permit inspection
247 entitles any person prevailing in an enforcement action to
248 recover reasonable attorney fees from the person in control of
249 the records who, directly or indirectly, knowingly denied access
250 to the records. Any person who knowingly or intentionally
251 defaces or destroys accounting records that are required by this
252 chapter to be maintained during the period for which such
253 records are required to be maintained, or who knowingly or
254 intentionally fails to create or maintain accounting records
255 that are required to be created or maintained, with the intent
256 of causing harm to the association or one or more of its
257 members, is personally subject to a civil penalty pursuant to s.
258 718.501(1)(d). The association shall maintain an adequate number
259 of copies of the declaration, articles of incorporation, bylaws,
260 and rules, and all amendments to each of the foregoing, as well

261 as the question and answer sheet as described in s. 718.504 and
262 year-end financial information required under this section, on
263 the condominium property to ensure their availability to unit
264 owners and prospective purchasers, and may charge its actual
265 costs for preparing and furnishing these documents to those
266 requesting the documents. An association shall allow a member or
267 his or her authorized representative to use a portable device,
268 including a smartphone, tablet, portable scanner, or any other
269 technology capable of scanning or taking photographs, to make an
270 electronic copy of the official records in lieu of the
271 association's providing the member or his or her authorized
272 representative with a copy of such records. The association may
273 not charge a member or his or her authorized representative for
274 the use of a portable device. Notwithstanding this paragraph,
275 the following records are not accessible to unit owners:

276 1. Any record protected by the lawyer-client privilege as
277 described in s. 90.502 and any record protected by the work-
278 product privilege, including a record prepared by an association
279 attorney or prepared at the attorney's express direction, which
280 reflects a mental impression, conclusion, litigation strategy,
281 or legal theory of the attorney or the association, and which
282 was prepared exclusively for civil or criminal litigation or for
283 adversarial administrative proceedings, or which was prepared in
284 anticipation of such litigation or proceedings until the
285 conclusion of the litigation or proceedings.

286 2. Information obtained by an association in connection

287 with the approval of the lease, sale, or other transfer of a
288 unit.

289 3. Personnel records of association or management company
290 employees, including, but not limited to, disciplinary, payroll,
291 health, and insurance records. For purposes of this
292 subparagraph, the term "personnel records" does not include
293 written employment agreements with an association employee or
294 management company, or budgetary or financial records that
295 indicate the compensation paid to an association employee.

296 4. Medical records of unit owners.

297 5. Social security numbers, driver license numbers, credit
298 card numbers, e-mail addresses, telephone numbers, facsimile
299 numbers, emergency contact information, addresses of a unit
300 owner other than as provided to fulfill the association's notice
301 requirements, and other personal identifying information of any
302 person, excluding the person's name, unit designation, mailing
303 address, property address, and any address, e-mail address, or
304 facsimile number provided to the association to fulfill the
305 association's notice requirements. Notwithstanding the
306 restrictions in this subparagraph, an association may print and
307 distribute to parcel owners a directory containing the name,
308 parcel address, and all telephone numbers of each parcel owner.
309 However, an owner may exclude his or her telephone numbers from
310 the directory by so requesting in writing to the association. An
311 owner may consent in writing to the disclosure of other contact
312 information described in this subparagraph. The association is

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

317 6. Electronic security measures that are used by the
318 association to safeguard data, including passwords.

319 7. The software and operating system used by the
320 association which allow the manipulation of data, even if the
321 owner owns a copy of the same software used by the association.
322 The data is part of the official records of the association.

323 (e)~~(d)~~ The association shall prepare a question and answer
324 sheet as described in s. 718.504, and shall update it annually.

325 (f)~~(e)~~1. The association or its authorized agent is not
326 required to provide a prospective purchaser or lienholder with
327 information about the condominium or the association other than
328 information or documents required by this chapter to be made
329 available or disclosed. The association or its authorized agent
330 may charge a reasonable fee to the prospective purchaser,
331 lienholder, or the current unit owner for providing good faith
332 responses to requests for information by or on behalf of a
333 prospective purchaser or lienholder, other than that required by
334 law, if the fee does not exceed \$150 plus the reasonable cost of
335 photocopying and any attorney ~~attorney's~~ fees incurred by the
336 association in connection with the response.

337 2. An association and its authorized agent are not liable
338 for providing such information in good faith pursuant to a

339 written request if the person providing the information includes
340 a written statement in substantially the following form: "The
341 responses herein are made in good faith and to the best of my
342 ability as to their accuracy."

343 (g)~~(f)~~ An outgoing board or committee member must
344 relinquish all official records and property of the association
345 in his or her possession or under his or her control, including
346 administrative rights or controls of an association's website or
347 other digital or electronic asset of the association, to the
348 incoming board within 5 days after the election. The division
349 shall impose a civil penalty as set forth in s. 718.501(1)(d)6.
350 against an outgoing board or committee member who willfully and
351 knowingly fails to relinquish such records and property.

352 (13) FINANCIAL REPORTING.—Within 90 days after the end of
353 the fiscal year, or annually on a date provided in the bylaws,
354 the association shall prepare and complete, or contract for the
355 preparation and completion of, a financial report for the
356 preceding fiscal year. Within 21 days after the final financial
357 report is completed by the association or received from the
358 third party, but not later than 120 days after the end of the
359 fiscal year or other date as provided in the bylaws, the
360 association shall mail to each unit owner at the address last
361 furnished to the association by the unit owner, or hand deliver
362 to each unit owner, a copy of the financial report or a notice
363 that a copy of the financial report will be mailed or hand
364 delivered to the unit owner, without charge, upon receipt of a

365 written request from the unit owner. The division shall adopt
366 rules setting forth uniform accounting principles and standards
367 to be used by all associations and addressing the financial
368 reporting requirements for multicondominium associations. The
369 rules must include, but not be limited to, standards for
370 presenting a summary of association reserves, including a good
371 faith estimate disclosing the annual amount of reserve funds
372 that would be necessary for the association to fully fund
373 reserves for each reserve item based on the straight-line
374 accounting method. This disclosure is not applicable to reserves
375 funded via the pooling method. In adopting such rules, the
376 division shall consider the number of members and annual
377 revenues of an association. Financial reports shall be prepared
378 as follows:

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

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

387 2. An association with total annual revenues of at least
388 \$300,000, but less than \$500,000, shall prepare reviewed
389 financial statements.

390 3. An association with total annual revenues of \$500,000

391 or more shall prepare audited financial statements.

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

395 ~~2. An association that operates fewer than 50 units,~~
 396 ~~regardless of the association's annual revenues, shall prepare a~~
 397 ~~report of cash receipts and expenditures in lieu of financial~~
 398 ~~statements required by paragraph (a).~~

399 2.3. A report of cash receipts and disbursements must
 400 disclose the amount of receipts by accounts and receipt
 401 classifications and the amount of expenses by accounts and
 402 expense classifications, including, but not limited to, the
 403 following, as applicable: costs for security, professional and
 404 management fees and expenses, taxes, costs for recreation
 405 facilities, expenses for refuse collection and utility services,
 406 expenses for lawn care, costs for building maintenance and
 407 repair, insurance costs, administration and salary expenses, and
 408 reserves accumulated and expended for capital expenditures,
 409 deferred maintenance, and any other category for which the
 410 association maintains reserves.

411 (c) An association may prepare, without a meeting of or
 412 approval by the unit owners:

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

416 2. Reviewed or audited financial statements, if the

417 association is required to prepare compiled financial
 418 statements; or
 419 3. Audited financial statements if the association is
 420 required to prepare reviewed financial statements.
 421 (d) If approved by a majority of the voting interests
 422 present at a properly called meeting of the association, an
 423 association may prepare:
 424 1. A report of cash receipts and expenditures in lieu of a
 425 compiled, reviewed, or audited financial statement;
 426 2. A report of cash receipts and expenditures or a
 427 compiled financial statement in lieu of a reviewed or audited
 428 financial statement; or
 429 3. A report of cash receipts and expenditures, a compiled
 430 financial statement, or a reviewed financial statement in lieu
 431 of an audited financial statement.
 432
 433 Such meeting and approval must occur before the end of the
 434 fiscal year and is effective only for the fiscal year in which
 435 the vote is taken, except that the approval may also be
 436 effective for the following fiscal year. If the developer has
 437 not turned over control of the association, all unit owners,
 438 including the developer, may vote on issues related to the
 439 preparation of the association's financial reports, from the
 440 date of incorporation of the association through the end of the
 441 second fiscal year after the fiscal year in which the
 442 certificate of a surveyor and mapper is recorded pursuant to s.

443 718.104(4)(e) or an instrument that transfers title to a unit in
444 the condominium which is not accompanied by a recorded
445 assignment of developer rights in favor of the grantee of such
446 unit is recorded, whichever occurs first. Thereafter, all unit
447 owners except the developer may vote on such issues until
448 control is turned over to the association by the developer. Any
449 audit or review prepared under this section shall be paid for by
450 the developer if done before turnover of control of the
451 association. An association may not waive the financial
452 reporting requirements of this section for more than 3
453 consecutive years.

454 (e) If an association has not provided the unit owner with
455 a copy of the financial report after receipt of a written
456 request within the time required pursuant to this section, the
457 unit owner may contact the division to report the association's
458 failure to comply. Upon notification, the division shall contact
459 the association to request that the association provide the copy
460 of the financial report to the unit owner within 5 business
461 days. If the association further fails to provide the copy of
462 the financial report, the association must provide a copy of the
463 financial report to the division within 7 business days.
464 Additionally, the association must provide a copy of the
465 financial report to the division for the 2 subsequent fiscal
466 years within 21 days after the final financial report is
467 completed by the association or received from the third party
468 and may not waive the financial reporting requirement as

469 provided in paragraph (d). The division shall maintain the
470 financial reports and provide a copy of the financial reports to
471 members of the public upon request.

472 Section 2. Subsection (4) of section 719.104, Florida
473 Statutes, is amended to read:

474 719.104 Cooperatives; access to units; records; financial
475 reports; assessments; purchase of leases.—

476 (4) FINANCIAL REPORT.—

477 (a) Within 90 days following the end of the fiscal or
478 calendar year or annually on such date as provided in the bylaws
479 of the association, the board of administration shall prepare
480 and complete, or contract with a third party to prepare and
481 complete, a financial report covering the preceding fiscal or
482 calendar year. Within 21 days after the financial report is
483 completed by the association or received from the third party,
484 but no later than 120 days after the end of the fiscal year,
485 calendar year, or other date provided in the bylaws, the
486 association shall provide each member with a copy of the annual
487 financial report or a written notice that a copy of the
488 financial report is available upon request at no charge to the
489 member. The division shall adopt rules setting forth uniform
490 accounting principles, standards, and reporting requirements.

491 (b) Except as provided in paragraph (c), an association
492 whose total annual revenues meet the criteria of this paragraph
493 shall prepare or cause to be prepared a complete set of
494 financial statements according to the generally accepted

495 accounting principles adopted by the Board of Accountancy. The
496 financial statements shall be as follows:

497 1. An association with total annual revenues between
498 \$150,000 and \$299,999 shall prepare a compiled financial
499 statement.

500 2. An association with total annual revenues between
501 \$300,000 and \$499,999 shall prepare a reviewed financial
502 statement.

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

505 4. The requirement to have the financial statement
506 compiled, reviewed, or audited does not apply to an association
507 if a majority of the voting interests of the association present
508 at a duly called meeting of the association have voted to waive
509 this requirement for the fiscal year. In an association in which
510 turnover of control by the developer has not occurred, the
511 developer may vote to waive the audit requirement for the first
512 2 years of operation of the association, after which time waiver
513 of an applicable audit requirement shall be by a majority of
514 voting interests other than the developer. The meeting shall be
515 held prior to the end of the fiscal year, and the waiver shall
516 be effective for only one fiscal year. An association may not
517 waive the financial reporting requirements of this section for
518 more than 3 consecutive years.

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

521 expenditures.

522 ~~2. An association in a community of fewer than 50 units,~~
523 ~~regardless of the association's annual revenues, shall prepare a~~
524 ~~report of cash receipts and expenditures in lieu of the~~
525 ~~financial statements required by paragraph (b), unless the~~
526 ~~declaration or other recorded governing documents provide~~
527 ~~otherwise.~~

528 2.3. A report of cash receipts and expenditures must
529 disclose the amount of receipts by accounts and receipt
530 classifications and the amount of expenses by accounts and
531 expense classifications, including the following, as applicable:
532 costs for security, professional, and management fees and
533 expenses; taxes; costs for recreation facilities; expenses for
534 refuse collection and utility services; expenses for lawn care;
535 costs for building maintenance and repair; insurance costs;
536 administration and salary expenses; and reserves, if maintained
537 by the association.

538 (d) If at least 20 percent of the unit owners petition the
539 board for a greater level of financial reporting than that
540 required by this section, the association shall duly notice and
541 hold a membership meeting within 30 days after receipt of the
542 petition to vote on raising the level of reporting for that
543 fiscal year. Upon approval by a majority of the voting interests
544 represented at a meeting at which a quorum of unit owners is
545 present, the association shall prepare an amended budget or
546 shall adopt a special assessment to pay for the financial report

547 regardless of any provision to the contrary in the declaration
548 or other recorded governing documents. In addition, the
549 association shall provide within 90 days after the meeting or
550 the end of the fiscal year, whichever occurs later:

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

554 2. Reviewed or audited financial statements, if the
555 association is otherwise required to prepare compiled financial
556 statements; or

557 3. Audited financial statements, if the association is
558 otherwise required to prepare reviewed financial statements.

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

562 1. A report of cash receipts and expenditures in lieu of a
563 compiled, reviewed, or audited financial statement;

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

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

570 (f) If an association has not provided the unit owner with
571 a copy of the financial report after receipt of a written
572 request within the time required as provided in paragraph (a),

573 the unit owner may contact the division to report the
574 association's failure to comply. Upon notification, the division
575 shall contact the association to request that the association
576 provide the copy of the financial report to the unit owner
577 within 5 business days. If the association further fails to
578 provide the copy of the financial report, the association must
579 provide a copy of the financial report to the division within 7
580 business days. Additionally, the association must provide a copy
581 of the financial report to the division for the 2 subsequent
582 fiscal years within 21 days after the final financial report is
583 completed by the association or received from the third party
584 and may not waive the financial reporting requirement as
585 provided in paragraph (b) or paragraph (e). The division shall
586 maintain the financial reports and provide a copy of the
587 financial reports to members of the public upon request.

588 Section 3. Subsections (6) through (13) of section
589 720.303, Florida Statutes, are renumbered as sections (7)
590 through (14), respectively, present subsection (4), paragraph
591 (c) of present subsection (6), and present subsection (7) of
592 that section are amended, and a new subsection (6) is added to
593 that section, to read:

594 720.303 Association powers and duties; meetings of board;
595 official records; budgets; financial reporting; association
596 funds; recalls.—

597 (4) OFFICIAL RECORDS.—The association shall maintain each
598 of the following items, when applicable, which constitute the

599 official records of the association:

600 (a) Copies of any plans, specifications, permits, and
601 warranties related to improvements constructed on the common
602 areas or other property that the association is obligated to
603 maintain, repair, or replace, and other items provided by the
604 developer pursuant to s. 720.307(4).

605 (b) A copy of the bylaws of the association and of each
606 amendment to the bylaws.

607 (c) A certified copy of the articles of incorporation of
608 the association and of each amendment thereto.

609 (d) A copy of the declaration of covenants and a copy of
610 each amendment thereto.

611 (e) A copy of the current rules of the homeowners'
612 association.

613 (f) The minutes of all meetings of the board of directors
614 and of the members, which minutes must be retained for at least
615 7 years.

616 (g) A current roster of all members and their mailing
617 addresses and parcel identifications. The association shall also
618 maintain the e-mail ~~electronic mailing~~ addresses and the numbers
619 designated by members for receiving notice sent by electronic
620 transmission of those members consenting to receive notice by
621 electronic transmission. The e-mail ~~electronic mailing~~ addresses
622 and numbers provided by members ~~unit owners~~ to receive notice by
623 electronic transmission shall be removed from association
624 records when consent to receive notice by electronic

625 transmission is revoked. However, the association is not liable
626 for an erroneous disclosure of the e-mail ~~electronic-mail~~
627 address or the number for receiving electronic transmission of
628 notices.

629 (h) All of the association's insurance policies or a copy
630 thereof, which policies must be retained for at least 7 years.

631 (i) A current copy of all contracts to which the
632 association is a party, including, without limitation, any
633 management agreement, lease, or other contract under which the
634 association has any obligation or responsibility. Bids received
635 by the association for materials, equipment, or services ~~work to~~
636 ~~be performed~~ must also be considered official records and must
637 be maintained ~~kept~~ for ~~a period of~~ 1 year.

638 (j) The financial and accounting records of the
639 association, kept according to good accounting practices. All
640 financial and accounting records must be maintained for a period
641 of at least 7 years. The financial and accounting records must
642 include:

643 1. Accurate, itemized, and detailed records of all
644 receipts and expenditures.

645 2. A current account and a periodic statement of the
646 account for each member, designating the name and current
647 address of each member who is obligated to pay assessments, the
648 due date and amount of each assessment or other charge against
649 the member, the date and amount of each payment on the account,
650 and the balance due.

651 3. All tax returns, audits, reviews, financial statements,
652 and financial reports of the association.

653 4. Any other records that identify, measure, record, or
654 communicate financial information.

655 (k) A copy of the disclosure summary described in s.
656 720.401(1).

657 (l) Ballots, sign-in sheets, voting proxies, and all other
658 papers relating to voting by members, which must be maintained
659 for 1 year after the date of the election, vote, or meeting to
660 which the document relates.

661 (m)~~(l)~~ All other written records of the association not
662 specifically included in the foregoing which are related to the
663 operation of the association.

664 (6) ACCESS TO ASSOCIATION DOCUMENTS AND RECORDS ON AN
665 ASSOCIATION WEBSITE.—

666 (a) An association with 7,500 or more parcels shall post
667 digital copies of the documents specified in paragraph (b) on
668 the association's website. An association with fewer than 7,500
669 parcels located within the physical boundaries of an affiliated
670 association that has more than 7,500 or more parcels shall post
671 digital copies of such documents on the larger affiliated
672 association's website. An association with fewer than 7,500
673 parcels located within the physical boundaries of an association
674 with more than 7,500 or more parcels but that is not affiliated
675 with the larger association may post digital copies of such
676 documents on its website if the association chooses to do so.

- 677 1. An association's website must be:
- 678 a. An independent website or web portal wholly owned and
- 679 operated by the association; or
- 680 b. A website or web portal that is operated by a third-
- 681 party provider with whom the association owns, leases, rents, or
- 682 otherwise obtains the right to operate a web page, subpage, web
- 683 portal, or collection of subpages or web portals dedicated to
- 684 the association's activities and where required notices,
- 685 records, and documents may be posted by the association.
- 686 2. The association's website must be accessible through
- 687 the Internet and must contain a subpage, web portal, or other
- 688 protected electronic location that is inaccessible to the
- 689 general public and accessible only to the members and employees
- 690 of the association.
- 691 3. The association must provide each member with access to
- 692 the protected sections of the association's website that contain
- 693 any notices, records, or documents that must be electronically
- 694 provided.
- 695 (b) The following documents must be posted in digital
- 696 format on the website:
- 697 1. Copies of the official records in described in
- 698 subsection (4). However, the current roster of all members with
- 699 their mailing addresses and parcel identifications may not be
- 700 posted in digital format on the website. The website must
- 701 include the following statement: "A current roster of all
- 702 members and their mailing addresses and parcel identifications

703 is available at the request of any association member." The
704 notice shall include the e-mail address of the person to contact
705 for a copy of the roster.

706 2. The annual budget required by subsection (7) and any
707 proposed budget to be considered at the annual meeting.

708 3. The financial report required by subsection (8) and any
709 proposed financial report to be considered at a meeting.

710 4. Any document created by the association or a board
711 member relating to the recall of a director, pursuant to
712 subsection (11), or any document created for or filed by the
713 association in an arbitration proceeding conducted by the
714 division regarding the recall of a director.

715 5. A copy of the information submitted to the division to
716 comply with the reporting requirement of subsection (15).

717 6. Documentation reporting the compensation of directors,
718 officers, or members authorized under subsection (15).

719 7. The certification of each director required by s.
720 720.3033(1).

721 8. A list of all contracts or transactions between the
722 association and any director, officer, corporation, firm, or
723 association that is not an affiliated homeowners' association or
724 any other entity in which an association director is also a
725 director or officer and financially interested.

726 9. Any fidelity bond entered into by the association.

727 10. A map of the association, including association
728 boundaries.

729 11. Any contract or document regarding a conflict of
730 interest or possible conflict of interest as provided in ss.
731 468.436(2) and 720.3033.

732 12. Notice of any board meeting and the agenda for the
733 meeting, as required by subsection (2), no later than 14 days
734 before the meeting. The notice must be posted in plain view on
735 the front page, or on a separate subpage labeled "Notices" which
736 is conspicuously visible and linked from the front page of the
737 association's website. The association must post on the
738 association's website any documents to be considered during the
739 meeting or listed on the agenda at least 7 days before the
740 meeting at which the document or the information within the
741 document will be considered, including the following documents:

742 a. The proposed annual budget required by subsection (7).

743 b. The proposed financial report required by subsection
744 (8).

745 c. A list of persons seeking to be elected to the board.

746 d. A copy of contracts or transactions listed in
747 subparagraph 8.

748 e. Any competitive bids for materials, equipment, or
749 services.

750 f. Any proposed contracts or proposed transactional
751 documents related to any possible conflict of interest set forth
752 in ss. 468.436(2) and 720.3033.

753 (c) The association shall ensure that the information and
754 records described in paragraph (5) (c), which are not permitted

755 to be accessible to members or parcel owners, are not posted on
756 the association's website. If protected information or
757 information restricted from being accessible to members or
758 parcel owners is included in documents that are required to be
759 posted on the association's website, the association shall
760 ensure the information is redacted before posting the documents
761 online.

762 (7)~~(6)~~ BUDGETS.—

763 (c)1. If the budget of the association does not provide
764 for reserve accounts pursuant to paragraph (d) and the
765 association is responsible for the repair and maintenance of
766 capital improvements that may result in a special assessment if
767 reserves are not provided, each financial report for the
768 preceding fiscal year required by subsection (8) ~~(7)~~ must
769 contain the following statement in conspicuous type:

770 THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR RESERVE
771 ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT
772 MAY RESULT IN SPECIAL ASSESSMENTS. OWNERS MAY ELECT TO PROVIDE
773 FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(7) ~~720.303(6)~~,
774 FLORIDA STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF
775 THE TOTAL VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE
776 MEMBERS AT A MEETING OR BY WRITTEN CONSENT.

777 2. If the budget of the association does provide for
778 funding accounts for deferred expenditures, including, but not
779 limited to, funds for capital expenditures and deferred
780 maintenance, but such accounts are not created or established

781 pursuant to paragraph (d), each financial report for the
782 preceding fiscal year required under subsection (8) ~~(7)~~ must
783 also contain the following statement in conspicuous type:

784 THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY
785 DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES
786 AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED
787 IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED
788 TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(7)
789 ~~720.303(6)~~, FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE
790 RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR
791 ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.

792 (8) ~~(7)~~ FINANCIAL REPORTING.—Within 90 days after the end
793 of the fiscal year, or annually on the date provided in the
794 bylaws, the association shall prepare and complete, or contract
795 with a third party for the preparation and completion of, a
796 financial report for the preceding fiscal year. Within 21 days
797 after the final financial report is completed by the association
798 or received from the third party, but not later than 120 days
799 after the end of the fiscal year or other date as provided in
800 the bylaws, the association shall, within the time limits set
801 forth in subsection (5), provide each member with a copy of the
802 annual financial report or a written notice that a copy of the
803 financial report is available upon request at no charge to the
804 member. Financial reports shall be prepared as follows:

805 (a) An association that meets the criteria of this
806 paragraph shall prepare or cause to be prepared a complete set

807 of financial statements in accordance with generally accepted
 808 accounting principles as adopted by the Board of Accountancy.
 809 The financial statements shall be based upon the association's
 810 total annual revenues, as follows:

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

814 2. An association with total annual revenues of at least
 815 \$300,000, but less than \$500,000, shall prepare reviewed
 816 financial statements.

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

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

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

827 2.3. A report of cash receipts and disbursement must
 828 disclose the amount of receipts by accounts and receipt
 829 classifications and the amount of expenses by accounts and
 830 expense classifications, including, but not limited to, the
 831 following, as applicable: costs for security, professional, and
 832 management fees and expenses; taxes; costs for recreation

833 facilities; expenses for refuse collection and utility services;
834 expenses for lawn care; costs for building maintenance and
835 repair; insurance costs; administration and salary expenses; and
836 reserves if maintained by the association.

837 (c) If 20 percent of the parcel owners petition the board
838 for a level of financial reporting higher than that required by
839 this section, the association shall duly notice and hold a
840 meeting of members within 30 days of receipt of the petition for
841 the purpose of voting on raising the level of reporting for that
842 fiscal year. Upon approval of a majority of the total voting
843 interests of the parcel owners, the association shall prepare or
844 cause to be prepared, shall amend the budget or adopt a special
845 assessment to pay for the financial report regardless of any
846 provision to the contrary in the governing documents, and shall
847 provide within 90 days of the meeting or the end of the fiscal
848 year, whichever occurs later:

849 1. Compiled, reviewed, or audited financial statements, if
850 the association is otherwise required to prepare a report of
851 cash receipts and expenditures;

852 2. Reviewed or audited financial statements, if the
853 association is otherwise required to prepare compiled financial
854 statements; or

855 3. Audited financial statements if the association is
856 otherwise required to prepare reviewed financial statements.

857 (d) If approved by a majority of the voting interests
858 present at a properly called meeting of the association, an

859 association may prepare or cause to be prepared:

860 1. A report of cash receipts and expenditures in lieu of a
861 compiled, reviewed, or audited financial statement;

862 2. A report of cash receipts and expenditures or a
863 compiled financial statement in lieu of a reviewed or audited
864 financial statement; or

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

868 (e) If an association has not provided the member with a
869 copy of the financial report after receipt of a written request
870 within the time required pursuant to this section, the member
871 may contact the division to report the association's failure to
872 comply. Upon notification, the division shall contact the
873 association to request that the association provide the copy of
874 the financial report to the member within 5 business days. If
875 the association further fails to provide the copy of the
876 financial report, the association must provide a copy of the
877 financial report to the division within 7 business days.
878 Additionally, the association must provide a copy of the
879 financial report to the division for the 2 subsequent fiscal
880 years within 21 days after the final financial report is
881 completed by the association or received from the third party
882 and may not waive the financial reporting requirement as
883 provided in paragraph (d). The division shall maintain the
884 financial reports and provide a copy of the financial reports to

885 members of the public upon request.

886 Section 4. Paragraph (c) of subsection (9) of section
887 720.306, Florida Statutes, is amended to read:

888 720.306 Meetings of members; voting and election
889 procedures; amendments.—

890 (9) ELECTIONS AND BOARD VACANCIES.—

891 (c) Any election dispute between a member and an
892 association must be submitted to mandatory binding arbitration
893 with the division. Such proceedings must be conducted in the
894 manner provided by s. 718.1255 and the procedural rules adopted
895 by the division. Unless otherwise provided in the bylaws, any
896 vacancy occurring on the board before the expiration of a term
897 may be filled by an affirmative vote of the majority of the
898 remaining directors, even if the remaining directors constitute
899 less than a quorum, or by the sole remaining director. In the
900 alternative, a board may hold an election to fill the vacancy,
901 in which case the election procedures must conform to the
902 requirements of the governing documents. Unless otherwise
903 provided in the bylaws, a board member appointed or elected
904 under this section is appointed for the unexpired term of the
905 seat being filled. Filling vacancies created by recall is
906 governed by s. 720.303(11) ~~720.303(10)~~ and rules adopted by the
907 division.

908 Section 5. Subsection (1) of section 720.311, Florida
909 Statutes, is amended to read:

910 720.311 Dispute resolution.—

911 (1) The Legislature finds that alternative dispute
912 resolution has made progress in reducing court dockets and
913 trials and in offering a more efficient, cost-effective option
914 to litigation. The filing of any petition for arbitration or the
915 serving of a demand for presuit mediation as provided for in
916 this section shall toll the applicable statute of limitations.
917 Any recall dispute filed with the department pursuant to s.
918 720.303(11) ~~720.303(10)~~ shall be conducted by the department in
919 accordance with the provisions of ss. 718.112(2)(j) and 718.1255
920 and the rules adopted by the division. In addition, the
921 department shall conduct mandatory binding arbitration of
922 election disputes between a member and an association pursuant
923 to s. 718.1255 and rules adopted by the division. Neither
924 election disputes nor recall disputes are eligible for presuit
925 mediation; these disputes shall be arbitrated by the department.
926 At the conclusion of the proceeding, the department shall charge
927 the parties a fee in an amount adequate to cover all costs and
928 expenses incurred by the department in conducting the
929 proceeding. Initially, the petitioner shall remit a filing fee
930 of at least \$200 to the department. The fees paid to the
931 department shall become a recoverable cost in the arbitration
932 proceeding, and the prevailing party in an arbitration
933 proceeding shall recover its reasonable costs and attorney's
934 fees in an amount found reasonable by the arbitrator. The
935 department shall adopt rules to effectuate the purposes of this
936 section.

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Section 6. This act shall take effect July 1, 2016.