By Senator Soto

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A bill to be entitled An act relating to community association managers; creating s. 468.430, F.S.; providing a short title; reordering and amending s. 468.431, F.S.; revising definitions; amending s. 468.4315, F.S.; renaming the Regulatory Council of Community Association Managers as the Board of Community Association Managers; revising membership requirements for members of the board; providing that a unit owner is not prohibited from serving on the board; providing that members are appointed for staggered terms; authorizing removal of members from the board under certain circumstances; authorizing the board to adopt rules under certain circumstances; revising and providing responsibilities relating to the board; revising circumstances under which a member is entitled to receive per diem and travel expenses; authorizing the board to consult with the Division of Common Interest Communities and the Community Association Living Study Council under certain circumstances; conforming provisions to changes made by the act; amending s. 468.432, F.S.; deleting an obsolete date; specifying that a community association management firm must be actively registered with the Secretary of State; providing that community association manager licenses expire and must be renewed every 2 years and specifying related renewal fees; conforming provisions to changes made by the act; amending s. 468.433, F.S.; requiring rather than authorizing the Department of Business and Professional Regulation to refuse to certify an applicant under certain circumstances; revising requirements for licensure by examination; conforming

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provisions to changes made by the act; amending s. 468.4336, F.S.; conforming provisions to changes made by the act; amending s. 468.4337, F.S.; specifying that the department may not renew a community association manager's license under certain circumstances; revising continuing education requirements for license renewal; amending s. 468.4338, F.S.; conforming provisions to changes made by the act; amending s. 468.435, F.S.; deleting certain minimum fees; requiring that the renewal of license fee be based on a certain estimate; specifying the maximum that may be charged for renewals; specifying the account into which collected fees are deposited; amending s. 468.436, F.S.; requiring the department to consider damages that may occur if an inquiry is not expedited during a complaint investigation; requiring the department to conduct a timely investigation; revising the timeline for an investigation; requiring that the licenses of community association managers or firms be suspended under certain circumstances; prohibiting the performance of certain services while a criminal charge is pending; providing for reinstatement under certain circumstances; conforming provisions to changes made by the act; amending s. 468.4365, F.S.; revising provisions relating to the availability of disciplinary records and proceedings; amending s. 468.438, F.S.; making a technical change; providing an effective date.

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

Section 1. Section 468.430, Florida Statutes, is created to read:

468.430 Short title.—This part may be cited as the "Community Association Management Act."

Section 2. Section 468.431, Florida Statutes, is amended to read:

468.431 Definitions.—As used in this part:

(2) (1) "Community association" or "association" means a residential homeowner, condominium, cooperative, or timeshare homeowners' association in which membership is a condition of ownership of a unit that in a planned unit development, or of a lot for a home or a mobile home, or of a townhouse, villa, condominium, cooperative, or other residential unit which is part of a residential development scheme and which is authorized to impose a fee which may become a lien on the parcel.

(3) (2) "Community association management" means any of the following practices requiring substantial specialized knowledge, judgment, and managerial skill when done for remuneration and when the association or associations served contain more than 10 units or have an annual budget or budgets in excess of \$100,000: controlling or disbursing funds of a community association, preparing budgets or other financial documents for a community association, assisting in the noticing or conduct of community association meetings, determining the number of days required for statutory notices, determining amounts due to the association, collecting amounts due to the association before

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the filing of a civil action, calculating the votes required for a quorum or to approve a proposition or amendment, completing forms related to the management of a community association that have been created by statute or by a state agency, drafting meeting notices and agendas, calculating and preparing certificates of assessment and estoppel certificates, responding to requests for certificates of assessment and estoppel certificates, negotiating monetary or performance terms of a contract subject to approval by an association, drafting prearbitration demands, coordinating or performing maintenance for real or personal property and other related routine services involved in the operation of a community association, providing services requiring fundamental knowledge or skills as described in s. 468.433(3), and complying with the association's governing documents and the requirements of law as necessary to perform such practices. A person who performs clerical or ministerial functions under the direct supervision and control of a licensed manager or who is charged only with performing the maintenance of a community association and who does not assist in any of the management services described in this subsection is not required to be licensed under this part.

(4) "Community association management firm" means a corporation, limited liability company, partnership, trust, association, sole proprietorship, or other similar organization engaging in the business of community association management for the purpose of providing any of the services described in subsection (3) (2).

 $\underline{(5)}$ "Community association manager" means a natural person who is licensed pursuant to this part to perform

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community association management services.

- $\underline{\text{(1)}}$ "Board" "Council" means the Board Regulatory Council of Community Association Managers.
- (6) "Department" means the Department of Business and Professional Regulation.
- Section 3. Section 468.4315, Florida Statutes, is amended to read:
- 468.4315 <u>Board</u> Regulatory Council of Community Association Managers.—
- (1) The <u>Board</u> Regulatory Council of Community Association Managers is created within the department and shall consist of seven members appointed by the Governor and confirmed by the Senate. <u>Members of the board serving on or before July 1, 2016, shall continue as members of the board consistent with the provisions of this section.</u>
- (a) Five members of the <u>board council</u> shall be licensed community association managers, one of whom may be a community association manager employed by a timeshare managing entity as described in ss. 468.438 and 721.13, who have held an active license for at least 5 years. The remaining two <u>board council</u> members shall be residents of this state, must not be or ever have been connected with the business of community association management, and <u>are shall</u> not <u>be</u> prohibited from serving because the member is <u>or has been</u> a resident, <u>unit owner</u>, or board member of a community association.
- (b) The Governor shall appoint members for <u>staggered</u> terms of 4 years. Such members shall serve until their successors are appointed. Members' service on the <u>board</u> council shall begin upon appointment and shall continue until their successors are

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appointed or they are removed because of two unexcused absences or resignation successors are appointed.

- (2) The <u>board</u> council may adopt rules relating to the licensure examination, continuing education requirements, continuing education providers, fees, and professional practice standards. The board may adopt rules pursuant to ss. 120.536(1) and 120.54 to implement the provisions of this part or chapter 455 conferring duties upon it and to assist the department in carrying out the duties and authorities conferred upon the department by this part.
- (3) To the extent the council is authorized to exercise functions otherwise exercised by a board pursuant to chapter 455, the provisions of chapter 455 and s. 20.165 relating to regulatory boards shall apply, including, but not limited to, provisions relating to board rules and the accountability and liability of board members. All proceedings and actions of the council are subject to the provisions of chapter 120. In addition, the provisions of chapter 455 and s. 20.165 shall apply to the department in carrying out the duties and authorities conferred upon the department by this part.
- (4) (5) Members of the <u>board</u> council shall serve without compensation but are entitled to receive per diem and travel expenses pursuant to s. 112.061 while carrying out business approved by the <u>board</u>, the chair of the board, or the division <u>between meetings</u> council.
 - (5) (6) The responsibilities of the board council shall

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include, but are not be limited to:

(a) Receiving input regarding issues of concern with respect to community association management and recommendations for changes in applicable laws.

- (b) Reviewing, evaluating, and advising the division concerning revisions and adoption of rules affecting community association management and associations.
- (c) Recommending improvements, if needed, in the education programs offered by the division.
- (6) The board may freely consult with the Division of Common Interest Communities of the Department of Business and Professional Regulation and the Community Association Living Study Council to coordinate efforts for regulatory and legislative improvements.

Section 4. Section 468.432, Florida Statutes, is amended to read:

- 468.432 Licensure of community association managers and community association management firms; exceptions.—
- (1) A person shall not manage or hold herself or himself out to the public as being able to manage a community association in this state unless she or he is licensed by the department in accordance with the provisions of this part. However, nothing in this part prohibits any person licensed in this state under any other law or court rule from engaging in the profession for which she or he is licensed.
- (2) As of January 1, 2009, A community association management firm or other similar organization responsible for the management of more than 10 units or a budget of \$100,000 or greater shall not engage, or hold itself out to the public as

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being able to engage, in the business of community association management in this state unless it is licensed by the department as a community association management firm in accordance with the provisions of this part.

- (a) A community association management firm or other similar organization desiring to be licensed as a community association management firm shall apply to the department on a form approved by the department, together with the application and licensure fees required by s. 468.435(1)(a) and (c). Each community association management firm applying for licensure under this subsection must be actively registered with the Secretary of State and authorized to do business in this state.
- (b) Each applicant shall designate on its application a licensed community association manager who shall be required to respond to all inquiries from and investigations by the department or division.
- (c) Each licensed community association management firm shall notify the department within 30 days after any change of information contained in the application upon which licensure is based.
- (d) Community association manager licenses shall expire on September 30 of even-numbered years and must be renewed every 2 years. An application for renewal shall be accompanied by the renewal of license fee as required by s. 468.435(1)(d).
- (e) (d) Community association management firm licenses shall expire on September 30 of odd-numbered years and shall be renewed every 2 years. An application for renewal shall be accompanied by the renewal fee as required by s. 468.435(1)(d).
 - (f) (e) The department shall license each applicant whom the

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department certifies as meeting the requirements of this subsection.

- $\underline{(g)}$ (f) If the license of at least one individual active community association manager member is not in force, the license of the community association management firm or other similar organization is $\underline{\text{suspended}}$ canceled automatically during that time.
- $\underline{\text{(h)}}$ Any community association management firm or other similar organization agrees by being licensed that it will employ only licensed persons in the direct provision of community association management services as $\underline{\text{defined}}$ described in s. 468.431(3).

Section 5. Section 468.433, Florida Statutes, is amended to read:

468.433 Licensure by examination.-

- (1) A person desiring to be licensed as a community association manager shall apply to the department to take the licensure examination. Each applicant must file a complete set of fingerprints that have been taken by an authorized law enforcement officer, which set of fingerprints shall be submitted to the Department of Law Enforcement for state processing and to the Federal Bureau of Investigation for federal processing. The cost of processing shall be borne by the applicant.
- (2) The department shall examine each applicant who <u>must be</u> is at least 18 years of age, who has successfully completed all prelicensure education requirements, and who the department certifies is of good moral character.
 - (a) Good moral character means a personal history of

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honesty, fairness, and respect for the rights of others and for the laws of this state and nation.

- (b) The department $\underline{\text{shall}}$ $\underline{\text{may}}$ refuse to certify an applicant $\underline{\text{only}}$ if:
- 1. There is a substantial connection between the lack of good moral character of the applicant and the professional responsibilities of a community association manager;
- 2. The finding by the department of lack of good moral character is supported by clear and convincing evidence; or
- 3. The applicant is found to have provided management services requiring licensure without the requisite license.
- (c) When an applicant is found to be unqualified for a license because of a lack of good moral character, the department shall furnish the applicant a statement containing its findings, a complete record of the evidence upon which the determination was based, and a notice of the rights of the applicant to a rehearing and appeal.
- (d) The <u>board council</u> shall establish by rule the required amount of prelicensure education that, which shall consist of not more than <u>40</u> <u>24</u> hours of in-person instruction by a department-approved provider and which shall cover all areas of the examination specified in subsection (3). Such instruction shall be completed within 12 months prior to the date of the examination. Prelicensure education providers shall be considered continuing education providers for purposes of establishing provider approval fees. A licensee shall not be required to comply with the continuing education requirements of s. 468.4337 prior to the first license renewal. The <u>board</u> department shall, by rule, set standards for exceptions to the

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requirement of in-person instruction in cases of hardship or disability.

- (3) The <u>board</u> <u>council</u> shall approve an examination for licensure. The examination must demonstrate that the applicant has a fundamental <u>knowledge of state and federal laws relating</u> to the operation of all types of community associations and state laws relating to corporations and nonprofit corporations, proper preparation of community association budgets, proper procedures for noticing and conducting community association meetings, insurance matters relating to community associations, and management skills and knowledge of:
- (a) State and federal laws relating to the operation of all types of community associations.
- (b) State and federal laws relating to corporations and nonprofit corporations.
- (c) Compliance with association governing documents and the legal requirements required to perform related practices.
 - (d) Preparing the community association budget.
 - (e) Calculating reserve requirements.
- (f) Determining amounts due to the association and calculating and preparing certificates of assessment and estoppel certificates.
- (g) Procedures for noticing and conducting community association meetings.
 - (h) Insurance matters relating to community associations.
 - (i) Drafting meeting notices and agendas.
- (j) Determining the timing, method, and form of providing meeting notices.
 - (k) Determining the number of days required for statutory

receive pre-lien letters.

14-01622-16 20161512 323 notices. 324 (1) Procedures for collecting amounts due to the 325 association before filing a civil action. 326 (m) Drafting prearbitration demands. 327 (n) Determining the votes necessary for a quorum, to 328 approve a proposition or an amendment, or to take certain 329 actions. 330 (o) Preparing, modifying, or completing forms relating to 331 community association management which have been created by 332 statute or a state agency. (p) Coordinating or performing maintenance on real or 333 334 personal property and other related routine services involved in 335 the operation of a community association. 336 (q) Drafting a "yes" or "no" proxy voting question concerning reserves, financial reporting requirements, excess 337 338 membership expenses, or adopting amendments to the documents. 339 (r) Negotiating monetary or performance contract terms 340 subject to approval by an association. 341 (s) Drafting amendments and certificates of amendments that 342 are recorded in the official records to declarations of 343 covenants, bylaws, and articles of incorporation with the advice 344 of counsel when such documents are to be voted upon by the 345 members. 346 (t) Modifying or completing proxy forms for questions addressed at meetings. 347 348 (u) Providing assistance with preparing, reviewing, 349 drafting, or executing contracts. 350 (v) Determining, from county records, owners required to

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(4) A community association manager is liable for damages incurred from offering incorrect advice.

(5) (4) The department shall issue a license to practice in this state as a community association manager to \underline{a} any qualified applicant who successfully completes the examination in accordance with this section and pays the appropriate fee.

Section 6. Section 468.4336, Florida Statutes, is amended to read:

468.4336 Renewal of license.-

- (1) The <u>board</u> department shall renew a license upon receipt of the renewal application and fee and upon proof of compliance with the continuing education requirements of s. 468.4337.
- (2) The <u>board</u> department shall adopt rules establishing a procedure for the biennial renewal of licenses.

Section 7. Section 468.4337, Florida Statutes, is amended to read:

468.4337 Continuing education.—The department may not renew a community association manager's license until the licensee submits proof of completion that the licensee has completed the requisite hours of the requisite hours of continuing education.

At least 20 No more than 10 hours of biennial continuing education are annually shall be required for renewal of a license. The number of hours, criteria, and course content, which shall include at least 2 hours of annual legal update seminars, shall be approved by the board council by rule.

Section 8. Section 468.4338, Florida Statutes, is amended to read:

468.4338 Reactivation; continuing education.—The <u>board</u> council shall prescribe by rule continuing education

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requirements for reactivating a license. The continuing
education requirements for reactivating a license may not exceed
one renewal cycle of continuing education.

Section 9. Section 468.435, Florida Statutes, is amended to read:

468.435 Fees; establishment; disposition.-

- (1) The <u>board</u> council shall, by rule, establish fees for the described purposes and within the ranges specified in this section:
 - (a) Application fee: not less than \$25, or more than \$50.
 - (b) Examination fee: not less than \$25, or more than \$100.
- (c) Initial license fee: not $\frac{1}{1}$ than $\frac{25}{1}$ or more than $\frac{1}{1}$
- (d) Renewal of license fee: not $\frac{1}{1}$ than \$25, or more than \$100.
- (e) Delinquent license fee: not $\frac{1}{1}$ than $\frac{1}{2}$ or more than $\frac{1}{2}$ so.
- (f) Inactive license fee: not $\frac{1}{1}$ than $\frac{10}{1}$ or more than \$25.
- (2) The renewal of license fee shall be determined based on an estimate of the amount required annually for the board to fulfill its responsibilities under this section, rounded to the next highest even dollar amount, and may not exceed \$100 Until the council establishes fees under subsection (1), the lower amount in each range shall apply.
- (3) Fees collected under this section shall be deposited <u>in</u> the Regulatory Council of Community Association Managers account <u>in</u> to the credit of the Professional Regulation Trust Fund.
 - (4) The board council shall establish fees that are

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adequate to fund the cost to implement the provisions of this part. Fees shall be based on the department estimates of the revenue required to implement this part and the provisions of law with respect to the regulation of community association managers and firms.

Section 10. Section 468.436, Florida Statutes, is amended to read:

468.436 Disciplinary proceedings.-

- (1) The department shall investigate complaints and allegations of a violation of this part, chapter 455, or any rule adopted thereunder, filed against community association managers or firms or and forwarded from other divisions of under the department of Business and Professional Regulation.
- (a) After a complaint is received, the department shall conduct its inquiry with due regard to the interests of the affected parties and consideration of damages that may occur if the inquiry is not expedited.
- (b) Within 30 days after receipt of a complaint, the department shall acknowledge the complaint in writing and notify the complainant whether or not the complaint is within the jurisdiction of the department and whether or not additional information is needed by the department from the complainant.
- (c) The department shall conduct a timely an investigation and shall, within $\underline{45}$ 90 days after receipt of the original complaint or of a timely request for additional information, take action upon the complaint. However, the failure to complete the investigation within $\underline{45}$ 90 days does not prevent the department from continuing the investigation, accepting or considering evidence obtained or received after $\underline{45}$ 90 days, or

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taking administrative action if reasonable cause exists to believe that a violation of this part, chapter 455, or a rule of the department has occurred.

- (d) If an investigation is not completed within the time limits established in this subsection, the department shall, at least monthly on a monthly basis, notify the complainant in writing of the status of the investigation. When reporting its action to the complainant, the department shall inform the complainant of any right to a hearing pursuant to ss. 120.569 and 120.57.
- (2) The department shall suspend the license of a community association manager or firm charged by information or indictment with a felony offense. While the community association manager or firm has a criminal charge pending, it may not perform services of community association management. However, if the charges are resolved without a finding of guilt, the community association manager or firm shall be reinstated for the remainder of its term, if any.
- (3) (2) The following acts constitute grounds for which the disciplinary actions in subsection (5) (4) may be taken:
 - (a) Violation of any provision of s. 455.227(1).
 - (b) 1. Violation of any provision of this part.
- 2. Violation of any lawful order or rule rendered or adopted by the department or the <u>board</u> council.
- 3. Being convicted of or pleading nolo contendere to a felony in any court in the United States.
- 4. Obtaining a license or certification or any other order, ruling, or authorization by means of fraud, misrepresentation, or concealment of material facts.

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5. Committing acts of gross misconduct or gross negligence in connection with the profession.

- 6. Contracting, on behalf of an association, with any entity in which the licensee has a financial interest that is not disclosed.
- 7. Violating any provision of chapter 718 or chapter 721_{τ} chapter 719, or chapter 720 during the course of performing community association management services pursuant to a contract with a community association as defined in s. 468.431(2)
- $\underline{(4)}$ (3) The <u>board council</u> shall specify by rule the acts or omissions that constitute a violation of subsection $\underline{(3)}$ (2).
- (5) (4) When the department finds any community association manager or firm guilty of any of the grounds set forth in subsection (3) (2), it may enter an order imposing one or more of the following penalties:
 - (a) Denial of an application for licensure.
 - (b) Revocation or suspension of a license.
- (c) Imposition of an administrative fine not to exceed \$5,000 for each count or separate offense.
 - (d) Issuance of a reprimand.
- (e) Placement of the community association manager or firm on probation for a period of time and subject to such conditions as the department specifies.
- (f) Restriction of the authorized scope of practice by the community association manager or firm.
- $\underline{(6)}$ (5) The department may reissue the license of a disciplined community association manager or firm upon certification by the board department that the disciplined

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person or firm has complied with all of the terms and conditions set forth in the final order.

Section 11. Section 468.4365, Florida Statutes, is amended to read:

468.4365 Availability of disciplinary records and proceedings.—Notwithstanding s. 455.225, any complaint or record maintained by the Department of Business and Professional Regulation pursuant to the Discipline of a licensed community association manager or firm and any proceeding held by the department to discipline a licensed community association manager or firm shall remain open and available to the public pursuant to s. 286.011.

Section 12. Subsection (2) of section 468.438, Florida Statutes, is amended to read:

468.438 Timeshare management firms.-

(2) A timeshare management firm <u>is</u> shall only be required to employ at least one individual licensed under this part at each noncontiguous geographic location at which the management firm provides community association management. No other person providing community association management on behalf of such management firms shall be required to hold a license pursuant to this part, provided that any community association management provided pursuant to this section must be performed under the direct supervision and control of a licensed community association manager. A community association manager licensed pursuant to this part and employed by a timeshare management firm pursuant to this section assumes responsibility for all community association management performed by unlicensed persons employed by the timeshare management firm.

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526		Section	13.	This	act	shall	take	effect	July	1,	2016.		