

1 A bill to be entitled
2 An act relating to community associations; amending s.
3 718.111, F.S.; revising reporting requirements;
4 amending s. 718.112, F.S.; authorizing an association
5 to adopt rules for posting certain notices on a
6 website; revising provisions relating to required
7 condominium and cooperative association bylaws;
8 revising provisions relating to evidence of
9 condominium and cooperative association compliance
10 with the fire and life safety code; revising unit and
11 common elements required to be retrofitted; revising
12 provisions relating to an association vote to forego
13 retrofitting; providing applicability; amending s.
14 718.707, F.S.; revising the time period for
15 classification as bulk assignee or bulk buyer;
16 amending s. 719.104, F.S.; revising recordkeeping
17 requirements; amending s. 719.1055, F.S.; revising
18 provisions relating to required condominium and
19 cooperative association bylaws; revising provisions
20 relating to evidence of condominium and cooperative
21 association compliance with the fire and life safety
22 code; revising unit and common elements required to be
23 retrofitted; revising provisions relating to an
24 association vote to forego retrofitting; providing
25 applicability; amending s. 719.106, F.S.; prohibiting

26 | a board member from voting via e-mail; authorizing an
 27 | association to adopt rules for posting certain notices
 28 | on a website; amending s. 720.303, F.S.; prohibiting a
 29 | board member from voting via e-mail; providing and
 30 | revising budget requirements; providing an exemption
 31 | to certain requirements; amending s. 720.306, F.S.;
 32 | providing elections requirements; amending s.
 33 | 720.3085, F.S.; providing applicability; providing an
 34 | effective date.

35 |

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

37 |

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

40 | 718.111 The association.—

41 | (12) OFFICIAL RECORDS.—

42 | (a) From the inception of the association, the association
 43 | shall maintain each of the following items, if applicable, which
 44 | constitutes the official records of the association:

45 | 1. A copy of the plans, permits, warranties, and other
 46 | items provided by the developer pursuant to s. 718.301(4).

47 | 2. A photocopy of the recorded declaration of condominium
 48 | of each condominium operated by the association and each
 49 | amendment to each declaration.

50 | 3. A photocopy of the recorded bylaws of the association

51 and each amendment to the bylaws.

52 4. A certified copy of the articles of incorporation of
53 the association, or other documents creating the association,
54 and each amendment thereto.

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

56 6. A book or books that contain the minutes of all
57 meetings of the association, the board of administration, and
58 the unit owners, which minutes must be retained for at least 7
59 years.

60 7. A current roster of all unit owners and their mailing
61 addresses, unit identifications, and voting certifications, and,
62 if known, telephone numbers. The association shall also maintain
63 the electronic mailing addresses and facsimile numbers of unit
64 owners consenting to receive notice by electronic transmission.
65 The electronic mailing addresses and facsimile numbers are not
66 accessible to unit owners if consent to receive notice by
67 electronic transmission is not provided in accordance with
68 subparagraph (c)5. However, the association is not liable for an
69 inadvertent disclosure of the electronic mail address or
70 facsimile number for receiving electronic transmission of
71 notices.

72 8. All current insurance policies of the association and
73 condominiums operated by the association.

74 9. A current copy of any management agreement, lease, or
75 other contract to which the association is a party or under

76 | which the association or the unit owners have an obligation or
77 | responsibility.

78 | 10. Bills of sale or transfer for all property owned by
79 | the association.

80 | 11. Accounting records for the association and separate
81 | accounting records for each condominium that the association
82 | operates. All accounting records must be maintained for at least
83 | 7 years. Any person who knowingly or intentionally defaces or
84 | destroys such records, or who knowingly or intentionally fails
85 | to create or maintain such records, with the intent of causing
86 | harm to the association or one or more of its members, is
87 | personally subject to a civil penalty pursuant to s.

88 | 718.501(1)(d). The accounting records must include, but are not
89 | limited to:

90 | a. Accurate, itemized, and detailed records of all
91 | receipts and expenditures.

92 | b. A current account and a monthly, bimonthly, or
93 | quarterly statement of the account for each unit designating the
94 | name of the unit owner, the due date and amount of each
95 | assessment, the amount paid on the account, and the balance due.

96 | c. All audits, reviews, accounting statements, and
97 | financial reports of the association or condominium.

98 | d. All contracts for work to be performed. Bids for work
99 | to be performed are also considered official records and must be
100 | maintained by the association for 1 year.

101 12. Ballots, sign-in sheets, voting proxies, and all other
102 papers and electronic records relating to voting by unit owners,
103 which must be maintained for 1 year from the date of the
104 election, vote, or meeting to which the document relates,
105 notwithstanding paragraph (b).

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

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

110 15. All other written records of the association not
111 specifically included in the foregoing which are related to the
112 operation of the association.

113 16. A copy of the inspection report as described in s.
114 718.301(4)(p).

115 (b) The official records of the association must be
116 maintained within the state for at least 7 years. The records of
117 the association shall be made available to a unit owner within
118 45 miles of the condominium property or within the county in
119 which the condominium property is located within 10 ~~5~~ working
120 days after receipt of a written request by the board or its
121 designee. However, such distance requirement does not apply to
122 an association governing a timeshare condominium. This paragraph
123 may be complied with by having a copy of the official records of
124 the association available for inspection or copying on the
125 condominium property or association property, or the association

126 | may offer the option of making the records available to a unit
127 | owner electronically via the Internet or by allowing the records
128 | to be viewed in electronic format on a computer screen and
129 | printed upon request. The association is not responsible for the
130 | use or misuse of the information provided to an association
131 | member or his or her authorized representative pursuant to the
132 | compliance requirements of this chapter unless the association
133 | has an affirmative duty not to disclose such information
134 | pursuant to this chapter.

135 | (c) The official records of the association are open to
136 | inspection by any association member or the authorized
137 | representative of such member at all reasonable times. The right
138 | to inspect the records includes the right to make or obtain
139 | copies, at the reasonable expense, if any, of the member. The
140 | association may adopt reasonable rules regarding the frequency,
141 | time, location, notice, and manner of record inspections and
142 | copying. The failure of an association to provide the records
143 | within 10 working days after receipt of a written request
144 | creates a rebuttable presumption that the association willfully
145 | failed to comply with this paragraph. A unit owner who is denied
146 | access to official records is entitled to the actual damages or
147 | minimum damages for the association's willful failure to comply.
148 | Minimum damages are \$50 per calendar day for up to 10 days,
149 | beginning on the 11th working day after receipt of the written
150 | request. The failure to permit inspection entitles any person

151 prevailing in an enforcement action to recover reasonable
152 attorney fees from the person in control of the records who,
153 directly or indirectly, knowingly denied access to the records.
154 Any person who knowingly or intentionally defaces or destroys
155 accounting records that are required by this chapter to be
156 maintained during the period for which such records are required
157 to be maintained, or who knowingly or intentionally fails to
158 create or maintain accounting records that are required to be
159 created or maintained, with the intent of causing harm to the
160 association or one or more of its members, is personally subject
161 to a civil penalty pursuant to s. 718.501(1)(d). The association
162 shall maintain an adequate number of copies of the declaration,
163 articles of incorporation, bylaws, and rules, and all amendments
164 to each of the foregoing, as well as the question and answer
165 sheet as described in s. 718.504 and year-end financial
166 information required under this section, on the condominium
167 property to ensure their availability to unit owners and
168 prospective purchasers, and may charge its actual costs for
169 preparing and furnishing these documents to those requesting the
170 documents. An association shall allow a member or his or her
171 authorized representative to use a portable device, including a
172 smartphone, tablet, portable scanner, or any other technology
173 capable of scanning or taking photographs, to make an electronic
174 copy of the official records in lieu of the association's
175 providing the member or his or her authorized representative

176 with a copy of such records. The association may not charge a
177 member or his or her authorized representative for the use of a
178 portable device. Notwithstanding this paragraph, the following
179 records are not accessible to unit owners:

180 1. Any record protected by the lawyer-client privilege as
181 described in s. 90.502 and any record protected by the work-
182 product privilege, including a record prepared by an association
183 attorney or prepared at the attorney's express direction, which
184 reflects a mental impression, conclusion, litigation strategy,
185 or legal theory of the attorney or the association, and which
186 was prepared exclusively for civil or criminal litigation or for
187 adversarial administrative proceedings, or which was prepared in
188 anticipation of such litigation or proceedings until the
189 conclusion of the litigation or proceedings.

190 2. Information obtained by an association in connection
191 with the approval of the lease, sale, or other transfer of a
192 unit.

193 3. Personnel records of association or management company
194 employees, including, but not limited to, disciplinary, payroll,
195 health, and insurance records. For purposes of this
196 subparagraph, the term "personnel records" does not include
197 written employment agreements with an association employee or
198 management company, or budgetary or financial records that
199 indicate the compensation paid to an association employee.

200 4. Medical records of unit owners.

201 5. Social security numbers, driver license numbers, credit
202 card numbers, e-mail addresses, telephone numbers, facsimile
203 numbers, emergency contact information, addresses of a unit
204 owner other than as provided to fulfill the association's notice
205 requirements, and other personal identifying information of any
206 person, excluding the person's name, unit designation, mailing
207 address, property address, and any address, e-mail address, or
208 facsimile number provided to the association to fulfill the
209 association's notice requirements. Notwithstanding the
210 restrictions in this subparagraph, an association may print and
211 distribute to parcel owners a directory containing the name,
212 parcel address, and all telephone numbers of each parcel owner.
213 However, an owner may exclude his or her telephone numbers from
214 the directory by so requesting in writing to the association. An
215 owner may consent in writing to the disclosure of other contact
216 information described in this subparagraph. The association is
217 not liable for the inadvertent disclosure of information that is
218 protected under this subparagraph if the information is included
219 in an official record of the association and is voluntarily
220 provided by an owner and not requested by the association.

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

223 7. The software and operating system used by the
224 association which allow the manipulation of data, even if the
225 owner owns a copy of the same software used by the association.

226 The data is part of the official records of the association.

227 (d) The association shall prepare a question and answer
228 sheet as described in s. 718.504, and shall update it annually.

229 (e)1. The association or its authorized agent is not
230 required to provide a prospective purchaser or lienholder with
231 information about the condominium or the association other than
232 information or documents required by this chapter to be made
233 available or disclosed. The association or its authorized agent
234 may charge a reasonable fee to the prospective purchaser,
235 lienholder, or the current unit owner for providing good faith
236 responses to requests for information by or on behalf of a
237 prospective purchaser or lienholder, other than that required by
238 law, if the fee does not exceed \$150 plus the reasonable cost of
239 photocopying and any attorney's fees incurred by the association
240 in connection with the response.

241 2. An association and its authorized agent are not liable
242 for providing such information in good faith pursuant to a
243 written request if the person providing the information includes
244 a written statement in substantially the following form: "The
245 responses herein are made in good faith and to the best of my
246 ability as to their accuracy."

247 (f) An outgoing board or committee member must relinquish
248 all official records and property of the association in his or
249 her possession or under his or her control to the incoming board
250 within 5 days after the election. The division shall impose a

251 civil penalty as set forth in s. 718.501(1)(d)6. against an
252 outgoing board or committee member who willfully and knowingly
253 fails to relinquish such records and property.

254 (13) FINANCIAL REPORTING.—Within 90 days after the end of
255 the fiscal year, or annually on a date provided in the bylaws,
256 the association shall prepare and complete, or contract for the
257 preparation and completion of, a financial report for the
258 preceding fiscal year. Within 21 days after the final financial
259 report is completed by the association or received from the
260 third party, but not later than 120 days after the end of the
261 fiscal year or other date as provided in the bylaws, the
262 association shall mail to each unit owner at the address last
263 furnished to the association by the unit owner, or hand deliver
264 to each unit owner, a copy of the financial report or a notice
265 that a copy of the financial report will be mailed or hand
266 delivered to the unit owner, without charge, upon receipt of a
267 written request from the unit owner. The division shall adopt
268 rules setting forth uniform accounting principles and standards
269 to be used by all associations and addressing the financial
270 reporting requirements for multicondominium associations. The
271 rules must include, but not be limited to, standards for
272 presenting a summary of association reserves, including a good
273 faith estimate disclosing the annual amount of reserve funds
274 that would be necessary for the association to fully fund
275 reserves for each reserve item based on the straight-line

276 accounting method. This disclosure is not applicable to reserves
277 funded via the pooling method. In adopting such rules, the
278 division shall consider the number of members and annual
279 revenues of an association. Financial reports shall be prepared
280 as follows:

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

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

289 2. An association with total annual revenues of at least
290 \$300,000, but less than \$500,000, shall prepare reviewed
291 financial statements.

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

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

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

301 ~~2.3.~~ A report of cash receipts and disbursements must
302 disclose the amount of receipts by accounts and receipt
303 classifications and the amount of expenses by accounts and
304 expense classifications, including, but not limited to, the
305 following, as applicable: costs for security, professional and
306 management fees and expenses, taxes, costs for recreation
307 facilities, expenses for refuse collection and utility services,
308 expenses for lawn care, costs for building maintenance and
309 repair, insurance costs, administration and salary expenses, and
310 reserves accumulated and expended for capital expenditures,
311 deferred maintenance, and any other category for which the
312 association maintains reserves.

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

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

318 2. Reviewed or audited financial statements, if the
319 association is required to prepare compiled financial
320 statements; or

321 3. Audited financial statements if the association is
322 required to prepare reviewed financial statements.

323 (d) If approved by a majority of the voting interests
324 present at a properly called meeting of the association, an
325 association may prepare:

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

328 2. A report of cash receipts and expenditures or a
329 compiled financial statement in lieu of a reviewed or audited
330 financial statement; or

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

334
335 Such meeting and approval must occur before the end of the
336 fiscal year and is effective only for the fiscal year in which
337 the vote is taken, except that the approval may also be
338 effective for the following fiscal year. If the developer has
339 not turned over control of the association, all unit owners,
340 including the developer, may vote on issues related to the
341 preparation of the association's financial reports, from the
342 date of incorporation of the association through the end of the
343 second fiscal year after the fiscal year in which the
344 certificate of a surveyor and mapper is recorded pursuant to s.
345 718.104(4)(e) or an instrument that transfers title to a unit in
346 the condominium which is not accompanied by a recorded
347 assignment of developer rights in favor of the grantee of such
348 unit is recorded, whichever occurs first. Thereafter, all unit
349 owners except the developer may vote on such issues until
350 control is turned over to the association by the developer. Any

351 audit or review prepared under this section shall be paid for by
352 the developer if done before turnover of control of the
353 association. ~~An association may not waive the financial~~
354 ~~reporting requirements of this section for more than 3~~
355 ~~consecutive years.~~

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

358 718.112 Bylaws.—

359 (2) REQUIRED PROVISIONS.—The bylaws shall provide for the
360 following and, if they do not do so, shall be deemed to include
361 the following:

362 (c) Board of administration meetings.—Meetings of the
363 board of administration at which a quorum of the members is
364 present are open to all unit owners. Members of the board of
365 administration may use e-mail as a means of communication but
366 may not cast a vote on an association matter via e-mail. A unit
367 owner may tape record or videotape the meetings. The right to
368 attend such meetings includes the right to speak at such
369 meetings with reference to all designated agenda items. The
370 division shall adopt reasonable rules governing the tape
371 recording and videotaping of the meeting. The association may
372 adopt written reasonable rules governing the frequency,
373 duration, and manner of unit owner statements.

374 1. Adequate notice of all board meetings, which must
375 specifically identify all agenda items, must be posted

376 conspicuously on the condominium property at least 48 continuous
377 hours before the meeting except in an emergency. If 20 percent
378 of the voting interests petition the board to address an item of
379 business, the board, within 60 days after receipt of the
380 petition, shall place the item on the agenda at its next regular
381 board meeting or at a special meeting called for that purpose.
382 An item not included on the notice may be taken up on an
383 emergency basis by a vote of at least a majority plus one of the
384 board members. Such emergency action must be noticed and
385 ratified at the next regular board meeting. Notice of any
386 meeting in which a regular or special assessment against unit
387 owners is to be considered must specifically state that
388 assessments will be considered and provide the estimated amount
389 and a description of the purposes for such assessments. ~~However,~~
390 Written notice of a meeting at which a nonemergency special
391 assessment or an amendment to rules regarding unit use will be
392 considered must be mailed, delivered, or electronically
393 transmitted to the unit owners and posted conspicuously on the
394 condominium property at least 14 days before the meeting.
395 Evidence of compliance with this 14-day notice requirement must
396 be made by an affidavit executed by the person providing the
397 notice and filed with the official records of the association.
398 Upon notice to the unit owners, the board shall, by duly adopted
399 rule, designate a specific location on the condominium or
400 association property where all notices of board meetings must be

401 posted. If there is no condominium property or association
402 property where notices can be posted, notices shall be mailed,
403 delivered, or electronically transmitted to each unit owner at
404 least 14 days before the meeting. In lieu of or in addition to
405 the physical posting of the notice on the condominium property,
406 the association may, by reasonable rule, adopt a procedure for
407 conspicuously posting and repeatedly broadcasting the notice and
408 the agenda on a closed-circuit cable television system serving
409 the condominium association. However, if broadcast notice is
410 used in lieu of a notice physically posted on condominium
411 property, the notice and agenda must be broadcast at least four
412 times every broadcast hour of each day that a posted notice is
413 otherwise required under this section. If broadcast notice is
414 provided, the notice and agenda must be broadcast in a manner
415 and for a sufficient continuous length of time so as to allow an
416 average reader to observe the notice and read and comprehend the
417 entire content of the notice and the agenda. In addition to any
418 of the authorized means of providing notice of a meeting of the
419 board, the association may, by rule, adopt a procedure for
420 conspicuously posting the meeting notice and the agenda on a
421 website serving the condominium association for at least the
422 minimum period of time for which a notice of a meeting is also
423 required to be physically posted on the condominium property.
424 Any rule adopted shall, in addition to other matters, include a
425 requirement that the association send an electronic notice

426 providing a hypertext link to the website where the notice is
427 posted. ~~Notice of any meeting in which regular or special~~
428 ~~assessments against unit owners are to be considered must~~
429 ~~specifically state that assessments will be considered and~~
430 ~~provide the nature, estimated cost, and description of the~~
431 ~~purposes for such assessments.~~

432 2. Meetings of a committee to take final action on behalf
433 of the board or make recommendations to the board regarding the
434 association budget are subject to this paragraph. Meetings of a
435 committee that does not take final action on behalf of the board
436 or make recommendations to the board regarding the association
437 budget are subject to this section, unless those meetings are
438 exempted from this section by the bylaws of the association.

439 3. Notwithstanding any other law, the requirement that
440 board meetings and committee meetings be open to the unit owners
441 does not apply to:

442 a. Meetings between the board or a committee and the
443 association's attorney, with respect to proposed or pending
444 litigation, if the meeting is held for the purpose of seeking or
445 rendering legal advice; or

446 b. Board meetings held for the purpose of discussing
447 personnel matters.

448 (1) Certificate of compliance.—A provision that a
449 certificate of compliance from a licensed professional engineer
450 ~~electrical contractor or electrician~~ may be accepted by the

451 association's board as evidence of compliance ~~of the condominium~~
452 ~~units~~ with the applicable fire and life safety code must be
453 included. Notwithstanding chapter 633, s. 509.215, s.
454 553.895(1), or ~~of~~ any other code, statute, ordinance,
455 administrative rule, or regulation, or any interpretation of the
456 foregoing, an association, ~~residential condominium,~~ or unit
457 owner is not obligated to retrofit the common elements,
458 association property, or units of a residential condominium with
459 a fire sprinkler system or other engineered lifesafety system in
460 a building that is 75 feet or less in height. There is no
461 obligation to retrofit for a building greater than 75 feet in
462 height, calculated from the lowest level of fire department
463 vehicle access to the floor of the highest occupiable story ~~has~~
464 ~~been certified for occupancy by the applicable governmental~~
465 ~~entity~~ if the unit owners have voted to forego such retrofitting
466 by the affirmative vote of a majority of all voting interests in
467 the affected condominium. There is no requirement that owners in
468 condominiums of 75 feet or less conduct an opt-out vote and such
469 condominiums are exempt from fire sprinkler or other engineered
470 lifesafety retrofitting. The preceding sentence is intended to
471 clarify existing law. The local authority having jurisdiction
472 may not require completion of retrofitting with a fire sprinkler
473 system or other engineered lifesafety system before January 1,
474 2022 ~~2020~~. By December 31, 2018 ~~2016~~, an a residential
475 ~~condominium~~ association that operates a residential condominium

476 that is not in compliance with the requirements for a fire
477 sprinkler system or other engineered lifesafety system and has
478 not voted to forego retrofitting of such a system must initiate
479 an application for a building permit for the required
480 installation with the local government having jurisdiction
481 demonstrating that the association will become compliant by
482 December 31, 2021 ~~2019~~.

483 1. A vote to forego required retrofitting may be obtained
484 by limited proxy or by a ballot personally cast at a duly called
485 membership meeting, or by execution of a written consent by the
486 member, or by electronic voting, and is effective upon recording
487 a certificate executed by an officer or agent of the association
488 attesting to such vote in the public records of the county where
489 the condominium is located. When an opt-out vote is to be
490 conducted at a meeting, the association shall mail or ~~hand~~
491 deliver to each unit owner written notice at least 14 days
492 before the membership meeting in which the vote to forego
493 retrofitting of the required fire sprinkler system or other
494 engineered lifesafety system is to take place. Within 30 days
495 after the association's opt-out vote, notice of the results of
496 the opt-out vote must be mailed or ~~hand~~ delivered to all unit
497 owners. Evidence of compliance with this notice requirement must
498 be made by affidavit executed by the person providing the notice
499 and filed among the official records of the association. Failure
500 to provide timely notice to unit owners does not invalidate an

501 otherwise valid opt-out vote if notice of the results is
502 provided to the owners. ~~After notice is provided to each owner,~~
503 ~~a copy must be provided by the current owner to a new owner~~
504 ~~before closing and by a unit owner to a renter before signing a~~
505 ~~lease.~~

506 2. If there has been a previous vote to forego
507 retrofitting, a vote to require retrofitting may be obtained at
508 a special meeting of the unit owners called by a petition of at
509 least 10 percent of the voting interests or by a majority of the
510 board of directors. ~~Such a vote may only be called once every 3~~
511 ~~years.~~ Notice shall be provided as required for any regularly
512 called meeting of the unit owners, and must state the purpose of
513 the meeting. ~~Electronic transmission may not be used to provide~~
514 ~~notice of a meeting called in whole or in part for this purpose.~~

515 3. As part of the information collected annually from
516 condominiums, the division shall require condominium
517 associations to report the membership vote and recording of a
518 certificate under this subsection and, if retrofitting has been
519 undertaken, the per-unit cost of such work. The division shall
520 annually report to the Division of State Fire Marshal of the
521 Department of Financial Services the number of condominiums that
522 have elected to forego retrofitting. Compliance with this
523 administrative reporting requirement does not affect the
524 validity of an opt-out vote.

525 4. Notwithstanding s. 553.509, a residential association

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526 | may not be obligated to, and may forego the retrofitting of, any
527 | improvements required by s. 553.509(2) upon an affirmative vote
528 | of a majority of the voting interests in the affected
529 | condominium.

530 | Section 3. Section 718.707, Florida Statutes, is amended
531 | to read:

532 | 718.707 Time limitation for classification as bulk
533 | assignee or bulk buyer.—A person acquiring condominium parcels
534 | may not be classified as a bulk assignee or bulk buyer unless
535 | the condominium parcels were acquired on or after July 1, 2010,
536 | ~~but before July 1, 2018~~. The date of such acquisition shall be
537 | determined by the date of recording a deed or other instrument
538 | of conveyance for such parcels in the public records of the
539 | county in which the condominium is located, or by the date of
540 | issuing a certificate of title in a foreclosure proceeding with
541 | respect to such condominium parcels.

542 | Section 4. Paragraphs (a) and (b) of subsection (2) of
543 | section 719.104, Florida Statutes, are amended to read:

544 | 719.104 Cooperatives; access to units; records; financial
545 | reports; assessments; purchase of leases.—

546 | (2) OFFICIAL RECORDS.—

547 | (a) From the inception of the association, the association
548 | shall maintain a copy of each of the following, where
549 | applicable, which shall constitute the official records of the
550 | association:

- 551 1. The plans, permits, warranties, and other items
552 provided by the developer pursuant to s. 719.301(4).
- 553 2. A photocopy of the cooperative documents.
- 554 3. A copy of the current rules of the association.
- 555 4. A book or books containing the minutes of all meetings
556 of the association, of the board of directors, and of the unit
557 owners, which minutes shall be retained for a period of not less
558 than 7 years.
- 559 5. A current roster of all unit owners and their mailing
560 addresses, unit identifications, voting certifications, and, if
561 known, telephone numbers. The association shall also maintain
562 the electronic mailing addresses and the numbers designated by
563 unit owners for receiving notice sent by electronic transmission
564 of those unit owners consenting to receive notice by electronic
565 transmission. The electronic mailing addresses and numbers
566 provided by unit owners to receive notice by electronic
567 transmission shall be removed from association records when
568 consent to receive notice by electronic transmission is revoked.
569 However, the association is not liable for an erroneous
570 disclosure of the electronic mail address or the number for
571 receiving electronic transmission of notices.
- 572 6. All current insurance policies of the association.
- 573 7. A current copy of any management agreement, lease, or
574 other contract to which the association is a party or under
575 which the association or the unit owners have an obligation or

576 responsibility.

577 8. Bills of sale or transfer for all property owned by the
578 association.

579 9. Accounting records for the association and separate
580 accounting records for each unit it operates, according to good
581 accounting practices. All accounting records shall be maintained
582 for a period of not less than 7 years. The accounting records
583 shall include, but not be limited to:

584 a. Accurate, itemized, and detailed records of all
585 receipts and expenditures.

586 b. A current account and a monthly, bimonthly, or
587 quarterly statement of the account for each unit designating the
588 name of the unit owner, the due date and amount of each
589 assessment, the amount paid upon the account, and the balance
590 due.

591 c. All audits, reviews, accounting statements, and
592 financial reports of the association.

593 d. All contracts for work to be performed. Bids for work
594 to be performed shall also be considered official records and
595 shall be maintained for a period of 1 year.

596 10. Ballots, sign-in sheets, voting proxies, and all other
597 papers and electronic records relating to voting by unit owners,
598 which shall be maintained for a period of 1 year after the date
599 of the election, vote, or meeting to which the document relates.

600 11. All rental records where the association is acting as

601 agent for the rental of units.

602 12. A copy of the current question and answer sheet as
603 described in s. 719.504.

604 13. All other written records of the association not
605 specifically included in the foregoing which are related to the
606 operation of the association.

607 (b) The official records of the association must be
608 maintained within the state for at least 7 years. The records of
609 the association shall be made available to a unit owner within
610 45 miles of the cooperative property or within the county in
611 which the cooperative property is located within 10 ~~5~~ working
612 days after receipt of written request by the board or its
613 designee. This paragraph may be complied with by having a copy
614 of the official records of the association available for
615 inspection or copying on the cooperative property or the
616 association may offer the option of making the records available
617 to a unit owner electronically via the Internet or by allowing
618 the records to be viewed in an electronic format on a computer
619 screen and printed upon request. The association is not
620 responsible for the use or misuse of the information provided to
621 an association member or his or her authorized representative
622 pursuant to the compliance requirements of this chapter unless
623 the association has an affirmative duty not to disclose such
624 information pursuant to this chapter.

625 Section 5. Subsection (5) of section 719.1055, Florida

626 Statutes, is amended to read:

627 719.1055 Amendment of cooperative documents; alteration
628 and acquisition of property.-

629 (5) The bylaws must include a provision whereby a
630 certificate of compliance from a licensed professional engineer
631 ~~electrical contractor or electrician~~ may be accepted by the
632 association's board as evidence of compliance ~~of the cooperative~~
633 ~~units~~ with the applicable fire and life safety code.

634 (a)1. Notwithstanding chapter 633, s. 509.215, s.
635 553.895(1), or any other code, statute, ordinance,
636 administrative rule, or regulation, or any interpretation of the
637 foregoing, an association ~~a cooperative~~ or unit owner is not
638 obligated to retrofit the common elements or units of a
639 residential cooperative with a fire sprinkler system or other
640 engineered lifesafety system in a building that is 75 feet or
641 less in height. There is no obligation to retrofit for a
642 building greater than 75 feet in height, calculated from the
643 lowest level of fire department vehicle access to the floor of
644 the highest occupiable story ~~has been certified for occupancy by~~
645 ~~the applicable governmental entity~~ if the unit owners have voted
646 to forego such retrofitting by the affirmative vote of a
647 majority of all voting interests in the affected cooperative.
648 There is no requirement that owners in cooperatives of 75 feet
649 or less conduct an opt-out vote and such cooperatives are exempt
650 from fire sprinkler or other engineered life safety

651 retrofitting. The preceding sentence is intended to clarify
652 existing law. The local authority having jurisdiction may not
653 require completion of retrofitting with a fire sprinkler system
654 or other engineered life safety system before January 1, 2022
655 ~~the end of 2019~~. By December 31, 2018 ~~2016~~, a cooperative that
656 is not in compliance with the requirements for a fire sprinkler
657 system or other engineered lifesafety system and has not voted
658 to forego retrofitting of such a system must initiate an
659 application for a building permit for the required installation
660 with the local government having jurisdiction demonstrating that
661 the cooperative will become compliant by December 31, 2021 ~~2019~~.

662 2. A vote to forego required retrofitting may be obtained
663 by limited proxy or by a ballot personally cast at a duly called
664 membership meeting, or by execution of a written consent by the
665 member, or by electronic voting, and is effective upon recording
666 a certificate executed by an officer or agent of the association
667 attesting to such vote in the public records of the county where
668 the cooperative is located. When the opt-out vote is to be
669 conducted at a meeting, the cooperative shall mail or ~~hand~~
670 deliver to each unit owner written notice at least 14 days
671 before the membership meeting in which the vote to forego
672 retrofitting of the required fire sprinkler system or other
673 engineered lifesafety system is to take place. Within 30 days
674 after the cooperative's opt-out vote, notice of the results of
675 the opt-out vote must be mailed or ~~hand~~ delivered to all unit

676 owners. Evidence of compliance with this notice requirement must
677 be made by affidavit executed by the person providing the notice
678 and filed among the official records of the cooperative. Failure
679 to provide timely notice to unit owners does not invalidate an
680 otherwise valid opt-out vote if notice of the results is
681 provided to the owners. ~~After notice is provided to each owner,~~
682 ~~a copy must be provided by the current owner to a new owner~~
683 ~~before closing and by a unit owner to a renter before signing a~~
684 ~~lease.~~

685 (b) If there has been a previous vote to forego
686 retrofitting, a vote to require retrofitting may be obtained at
687 a special meeting of the unit owners called by a petition of
688 least 10 percent of the voting interests or by a majority of the
689 board of directors. ~~Such vote may only be called once every 3~~
690 ~~years.~~ Notice must be provided as required for any regularly
691 called meeting of the unit owners, and the notice must state the
692 purpose of the meeting. ~~Electronic transmission may not be used~~
693 ~~to provide notice of a meeting called in whole or in part for~~
694 ~~this purpose.~~

695 (c) As part of the information collected annually from
696 cooperatives, the division shall require associations to report
697 the membership vote and recording of a certificate under this
698 subsection and, if retrofitting has been undertaken, the per-
699 unit cost of such work. The division shall annually report to
700 the Division of State Fire Marshal of the Department of

701 Financial Services the number of cooperatives that have elected
702 to forego retrofitting. Compliance with this administrative
703 reporting requirement does not affect the validity of an opt-out
704 vote.

705 Section 6. Paragraph (c) of subsection (1) of section
706 719.106, Florida Statutes, is amended to read:

707 719.106 Bylaws; cooperative ownership.—

708 (1) MANDATORY PROVISIONS.—The bylaws or other cooperative
709 documents shall provide for the following, and if they do not,
710 they shall be deemed to include the following:

711 (c) Board of administration meetings.—Members of the board
712 of administration may use e-mail as a means of communication but
713 may not cast a vote on an association matter via e-mail.

714 Meetings of the board of administration at which a quorum of the
715 members is present shall be open to all unit owners. Any unit
716 owner may tape record or videotape meetings of the board of
717 administration. The right to attend such meetings includes the
718 right to speak at such meetings with reference to all designated
719 agenda items. The division shall adopt reasonable rules
720 governing the tape recording and videotaping of the meeting. The
721 association may adopt reasonable written rules governing the
722 frequency, duration, and manner of unit owner statements.

723 Adequate notice of all meetings shall be posted in a conspicuous
724 place upon the cooperative property at least 48 continuous hours
725 preceding the meeting, except in an emergency. Any item not

726 included on the notice may be taken up on an emergency basis by
727 at least a majority plus one of the members of the board. Such
728 emergency action shall be noticed and ratified at the next
729 regular meeting of the board. Notice of any meeting in which
730 regular or special assessments against unit owners are to be
731 considered must specifically state that assessments will be
732 considered and provide the estimated amount and description of
733 the purposes for such assessments. ~~However,~~ Written notice of
734 any meeting at which nonemergency special assessments, or at
735 which amendment to rules regarding unit use, will be considered
736 shall be mailed, delivered, or electronically transmitted to the
737 unit owners and posted conspicuously on the cooperative property
738 not less than 14 days before the meeting. Evidence of compliance
739 with this 14-day notice shall be made by an affidavit executed
740 by the person providing the notice and filed among the official
741 records of the association. Upon notice to the unit owners, the
742 board shall by duly adopted rule designate a specific location
743 on the cooperative property upon which all notices of board
744 meetings shall be posted. In lieu of or in addition to the
745 physical posting of notice of any meeting of the board of
746 administration on the cooperative property, the association may,
747 by reasonable rule, adopt a procedure for conspicuously posting
748 and repeatedly broadcasting the notice and the agenda on a
749 closed-circuit cable television system serving the cooperative
750 association. However, if broadcast notice is used in lieu of a

751 notice posted physically on the cooperative property, the notice
752 and agenda must be broadcast at least four times every broadcast
753 hour of each day that a posted notice is otherwise required
754 under this section. When broadcast notice is provided, the
755 notice and agenda must be broadcast in a manner and for a
756 sufficient continuous length of time so as to allow an average
757 reader to observe the notice and read and comprehend the entire
758 content of the notice and the agenda. In addition to any of the
759 authorized means of providing notice of a meeting of the board,
760 the association may, by rule, adopt a procedure for
761 conspicuously posting the meeting notice and the agenda on a
762 website serving the cooperative association for at least the
763 minimum period of time for which a notice of a meeting is also
764 required to be physically posted on the cooperative property.
765 Any rule adopted shall, in addition to other matters, include a
766 requirement that the association send an electronic notice
767 providing a hypertext link to the website where the notice is
768 posted. ~~Notice of any meeting in which regular assessments~~
769 ~~against unit owners are to be considered for any reason shall~~
770 ~~specifically contain a statement that assessments will be~~
771 ~~considered and the nature of any such assessments.~~ Meetings of a
772 committee to take final action on behalf of the board or to make
773 recommendations to the board regarding the association budget
774 are subject to the provisions of this paragraph. Meetings of a
775 committee that does not take final action on behalf of the board

776 or make recommendations to the board regarding the association
777 budget are subject to the provisions of this section, unless
778 those meetings are exempted from this section by the bylaws of
779 the association. Notwithstanding any other law to the contrary,
780 the requirement that board meetings and committee meetings be
781 open to the unit owners does not apply to board or committee
782 meetings held for the purpose of discussing personnel matters or
783 meetings between the board or a committee and the association's
784 attorney, with respect to proposed or pending litigation, if the
785 meeting is held for the purpose of seeking or rendering legal
786 advice.

787 Section 7. Paragraph (a) of subsection (2) and subsection
788 (6) of section 720.303, Florida Statutes, are amended to read:

789 720.303 Association powers and duties; meetings of board;
790 official records; budgets; budget meetings; financial reporting;
791 association funds; recalls.—

792 (2) BOARD MEETINGS.—

793 (a) Members of the board of administration may use e-mail
794 as a means of communication, but may not cast a vote on an
795 association matter via e-mail. A meeting of the board of
796 directors of an association occurs whenever a quorum of the
797 board gathers to conduct association business. Meetings of the
798 board must be open to all members, except for meetings between
799 the board and its attorney with respect to proposed or pending
800 litigation where the contents of the discussion would otherwise

801 be governed by the attorney-client privilege. A meeting of the
802 board must be held at a location that is accessible to a
803 physically handicapped person if requested by a physically
804 handicapped person who has a right to attend the meeting. The
805 provisions of this subsection shall also apply to the meetings
806 of any committee or other similar body when a final decision
807 will be made regarding the expenditure of association funds and
808 to meetings of any body vested with the power to approve or
809 disapprove architectural decisions with respect to a specific
810 parcel of residential property owned by a member of the
811 community.

812 (6) BUDGETS; BUDGET MEETINGS.—

813 (a) The association shall prepare an annual budget that
814 sets out the annual operating expenses. The budget must reflect
815 the estimated revenues and expenses for that year and the
816 estimated surplus or deficit as of the end of the current year.
817 The budget must set out separately all fees or charges paid for
818 by the association for recreational amenities, whether owned by
819 the association, the developer, or another person. The
820 association shall provide each member with a copy of the annual
821 budget or a written notice that a copy of the budget is
822 available upon request at no charge to the member. The copy must
823 be provided to the member within the time limits set forth in
824 subsection (5).

825 (b) In addition to annual operating expenses, the budget

826 ~~must~~ may include reserve accounts for capital expenditures and
827 deferred maintenance ~~for~~ which are obligations of the
828 association under ~~is responsible. If reserve accounts are not~~
829 ~~established pursuant to paragraph (d), funding of such reserves~~
830 ~~is limited to the extent that~~ the governing documents for any
831 item that has a deferred maintenance expense or replacement cost
832 that exceeds \$10,000. The amount to be reserved must be computed
833 using a formula based upon estimated remaining useful life and
834 estimated replacement cost or deferred maintenance expense of
835 each reserve item. The association may adjust replacement
836 reserve limit increases in assessments annually to take into
837 account any changes in estimates or extension of the useful life
838 of a reserve item caused by deferred maintenance. This
839 subsection does not apply to an adopted budget in which the
840 members of an association have determined, by a majority vote at
841 a duly called meeting, including reserves. If the budget of the
842 association, to provide no reserves or less reserves than
843 required by this subsection includes reserve accounts
844 ~~established pursuant to paragraph (d), such reserves shall be~~
845 ~~determined, maintained, and waived in the manner provided in~~
846 ~~this subsection. Once an association provides for reserve~~
847 ~~accounts pursuant to paragraph (d), the association shall~~
848 ~~thereafter determine, maintain, and waive reserves in compliance~~
849 ~~with this subsection. This section does not preclude the~~
850 termination of a reserve account established pursuant to this

851 paragraph upon approval of a majority of the total voting
852 interests of the association. Upon such approval, the
853 terminating reserve account shall be removed from the budget.

854 (c)1. Before turnover of control of an ~~If the budget of~~
855 ~~the association pursuant to s. 720.307, the developer may vote~~
856 ~~the voting interests allocated to its parcels to waive the~~
857 ~~reserves or reduce the funding of reserves through the period~~
858 ~~expiring at the end of the second fiscal year after the fiscal~~
859 ~~year in which the governing documents are initially recorded or~~
860 ~~an instrument that transfers title to a parcel subject to the~~
861 ~~governing documents which is not accompanied by a recorded~~
862 ~~assignment of developer rights in favor of the grantee of such~~
863 ~~parcel is recorded, whichever occurs first, after which time~~
864 ~~reserves may be waived or reduced only upon the vote of a~~
865 ~~majority of all nondeveloper voting interests voting in person~~
866 ~~or by limited proxy at a duly called meeting of the association.~~
867 ~~does not provide for reserve accounts pursuant to paragraph (d)~~
868 ~~and the association is responsible for the repair and~~
869 ~~maintenance of capital improvements that may result in a special~~
870 ~~assessment if reserves are not provided, each financial report~~
871 ~~for the preceding fiscal year required by subsection (7) must~~
872 ~~contain the following statement in conspicuous type:~~
873 ~~THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR RESERVE~~
874 ~~ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT~~
875 ~~MAY RESULT IN SPECIAL ASSESSMENTS. OWNERS MAY ELECT TO PROVIDE~~

876 ~~FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA~~
877 ~~STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF THE TOTAL~~
878 ~~VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE MEMBERS AT A~~
879 ~~MEETING OR BY WRITTEN CONSENT.~~

880 ~~2. If the budget of the association does provide for~~
881 ~~funding accounts for deferred expenditures, including, but not~~
882 ~~limited to, funds for capital expenditures and deferred~~
883 ~~maintenance, but such accounts are not created or established~~
884 ~~pursuant to paragraph (d), each financial report for the~~
885 ~~preceding fiscal year required under subsection (7) must also~~
886 ~~contain the following statement in conspicuous type:~~
887 ~~THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY~~
888 ~~DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES~~
889 ~~AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED~~
890 ~~IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED~~
891 ~~TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6),~~
892 ~~FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE~~
893 ~~RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR~~
894 ~~ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.~~

895 ~~(d) An association is deemed to have provided for reserve~~
896 ~~accounts if reserve accounts have been initially established by~~
897 ~~the developer or if the membership of the association~~
898 ~~affirmatively elects to provide for reserves. If reserve~~
899 ~~accounts are established by the developer, the budget must~~
900 ~~designate the components for which the reserve accounts may be~~

901 ~~used. If reserve accounts are not initially provided by the~~
902 ~~developer, the membership of the association may elect to do so~~
903 ~~upon the affirmative approval of a majority of the total voting~~
904 ~~interests of the association. Such approval may be obtained by~~
905 ~~vote of the members at a duly called meeting of the membership~~
906 ~~or by the written consent of a majority of the total voting~~
907 ~~interests of the association. The approval action of the~~
908 ~~membership must state that reserve accounts shall be provided~~
909 ~~for in the budget and must designate the components for which~~
910 ~~the reserve accounts are to be established. Upon approval by the~~
911 ~~membership, the board of directors shall include the required~~
912 ~~reserve accounts in the budget in the next fiscal year following~~
913 ~~the approval and each year thereafter. Once established as~~
914 ~~provided in this subsection, the reserve accounts must be funded~~
915 ~~or maintained or have their funding waived in the manner~~
916 ~~provided in paragraph (f).~~

917 ~~(c) The amount to be reserved in any account established~~
918 ~~shall be computed by means of a formula that is based upon~~
919 ~~estimated remaining useful life and estimated replacement cost~~
920 ~~or deferred maintenance expense of each reserve item. The~~
921 ~~association may adjust replacement reserve assessments annually~~
922 ~~to take into account any changes in estimates of cost or useful~~
923 ~~life of a reserve item.~~

924 ~~(f) After one or more reserve accounts are established,~~
925 ~~the membership of the association, upon a majority vote at a~~

926 ~~meeting at which a quorum is present, may provide for no~~
927 ~~reserves or less reserves than required by this section. If a~~
928 meeting of the parcel ~~unit~~ owners has been called to determine
929 whether to waive or reduce the funding of reserves and such
930 result is not achieved or a quorum is not present, the reserves
931 ~~as~~ included in the budget go into effect. After the turnover,
932 the developer may vote its voting interest to waive or reduce
933 the funding of reserves. ~~Any vote taken pursuant to this~~
934 ~~subsection to waive or reduce reserves is applicable only to one~~
935 ~~budget year.~~

936 (d) Reserve funds and any interest accruing thereon shall
937 remain in the reserve account or accounts and may be used only
938 for authorized reserve expenditures unless their use for other
939 purposes is approved in advance by a majority vote at a duly
940 called meeting of the association. Before turnover of control of
941 an association by a developer to parcel owners other than the
942 developer pursuant to s. 720.307, the developer-controlled
943 association may not vote to use reserves for purposes other than
944 those for which they were intended without the approval of a
945 majority of all nondeveloper voting interests, voting in person
946 or by limited proxy at a duly called meeting of the association.

947 (e) The only voting interests that are eligible to vote on
948 questions that involve waiving or reducing the funding of
949 reserves, or using existing reserve funds for purposes other
950 than purposes for which the reserves were intended, are the

951 voting interests of the parcels subject to assessment to fund
952 the reserves in question. Any vote taken pursuant to this
953 subsection to waive or reduce reserves is applicable only to one
954 budget year. Proxy questions relating to waiving or reducing the
955 funding of reserves or using existing reserve funds for purposes
956 other than purposes for which the reserves were intended must
957 contain the following statement in capitalized, bold letters in
958 a font size larger than any other used on the face of the proxy
959 ballot: WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING
960 ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN PARCEL OWNER
961 LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS
962 REGARDING THOSE ITEMS.

963 (f) Funding formulas for reserves required by this section
964 shall be based on a pooled analysis of two or more of the items
965 for which reserves are required to be accrued pursuant to this
966 subsection. The amount of the contribution to the pooled reserve
967 account as disclosed on the proposed budget may not be less than
968 that required to ensure that the balance on hand at the
969 beginning of the period the budget will go into effect plus the
970 projected annual cash inflows over the remaining estimated
971 useful life of all of the assets that make up the reserve pool
972 are equal to or greater than the projected annual cash outflows
973 over the remaining estimated useful lives of all the assets that
974 make up the reserve pool based on the current reserve analysis.
975 The projected annual cash inflows may include estimated earnings

976 from investment of principal and accounts receivable minus the
977 allowance for doubtful accounts. The reserve funding formula may
978 not include any type of balloon payments.

979 (g) As alternative to the pooled analysis method described
980 in paragraph (f) and, if approved by a majority vote at a
981 meeting of the members of the association at which a quorum is
982 present, the funding formulas for reserves required ~~authorized~~
983 by this section may ~~must~~ be based on a separate analysis of each
984 of the required assets or a pooled analysis of two or more of
985 the required assets.

986 ~~1.~~ If the association maintains separate reserve accounts
987 for each of the required assets, the amount of the contribution
988 to each reserve account is the sum of the following two
989 calculations:

990 ~~1.a.~~ The total amount necessary, if any, to bring a
991 negative component balance to zero.

992 ~~2.b.~~ The total estimated deferred maintenance expense or
993 estimated replacement cost of the reserve component less the
994 estimated balance of the reserve component as of the beginning
995 of the period the budget will be in effect. The remainder, if
996 greater than zero, shall be divided by the estimated remaining
997 useful life of the component.

998
999 The formula may be adjusted each year for changes in estimates
1000 and deferred maintenance performed during the year and may

1001 include factors such as inflation and earnings on invested
1002 funds. An association may convert its funding formulas from a
1003 component method to a pooled method, as described in paragraph
1004 (f), at any time if approved by a majority vote at a meeting at
1005 which a quorum is present.

1006 ~~2. If the association maintains a pooled account of two or~~
1007 ~~more of the required reserve assets, the amount of the~~
1008 ~~contribution to the pooled reserve account as disclosed on the~~
1009 ~~proposed budget may not be less than that required to ensure~~
1010 ~~that the balance on hand at the beginning of the period the~~
1011 ~~budget will go into effect plus the projected annual cash~~
1012 ~~inflows over the remaining estimated useful life of all of the~~
1013 ~~assets that make up the reserve pool are equal to or greater~~
1014 ~~than the projected annual cash outflows over the remaining~~
1015 ~~estimated useful lives of all the assets that make up the~~
1016 ~~reserve pool, based on the current reserve analysis. The~~
1017 ~~projected annual cash inflows may include estimated earnings~~
1018 ~~from investment of principal and accounts receivable minus the~~
1019 ~~allowance for doubtful accounts. The reserve funding formula may~~
1020 ~~not include any type of balloon payments.~~

1021 (h) 1. ~~Reserve funds and Any interest accruing thereon~~
1022 ~~shall remain in the reserve account or accounts and shall be~~
1023 ~~used only for authorized reserve expenditures unless their use~~
1024 ~~for other purposes is approved in advance by a majority vote at~~
1025 ~~a meeting at which a proposed annual budget of an association~~

1026 will be considered by the board or a quorum is present. Prior to
1027 turnover of control of an association by a developer to parcel
1028 owners shall be open to all parcel owners, ~~the developer-~~
1029 ~~controlled association shall not vote to use reserves for~~
1030 ~~purposes other than those for which they were intended without~~
1031 ~~the approval of a majority of all nondeveloper voting interests~~
1032 ~~voting in person or by limited proxy at a duly called meeting of~~
1033 ~~the association.~~

1034 2.a. If a board adopts in any fiscal year an annual budget
1035 which requires assessments against parcel owners which exceed
1036 115 percent of assessments for the preceding fiscal year, the
1037 board shall conduct a special meeting of the parcel owners to
1038 consider a substitute budget if the board receives, within 21
1039 days after adoption of the annual budget, a written request for
1040 a special meeting from at least 10 percent of all voting
1041 interests. The special meeting shall be conducted within 60 days
1042 after adoption of the annual budget. At least 14 days prior to
1043 such special meeting, the board shall hand deliver to each
1044 parcel owner, or mail to each parcel owner at the address last
1045 furnished to the association, a notice of the meeting. An
1046 officer or manager of the association, or other person providing
1047 notice of such meeting shall execute an affidavit evidencing
1048 compliance with this notice requirement, and such affidavit
1049 shall be filed among the official records of the association.
1050 Parcel owners may consider and adopt a substitute budget at the

1051 special meeting. A substitute budget is adopted if approved by a
1052 majority of all voting interests unless the bylaws require
1053 adoption by a greater percentage of voting interests. If there
1054 is not a quorum at the special meeting or a substitute budget is
1055 not adopted, the annual budget previously adopted by the board
1056 shall take effect as scheduled.

1057 b. Any determination of whether assessments exceed 115
1058 percent of assessments for the prior fiscal year shall exclude
1059 any authorized provision for reasonable reserves for repair or
1060 replacement of the association property, anticipated expenses
1061 of the association which the board does not expect to be
1062 incurred on a regular or annual basis, or assessments for
1063 betterments to the condominium property.

1064 c. If the developer controls the board, assessments shall
1065 not exceed 115 percent of assessments for the prior fiscal year
1066 unless approved by a majority of all voting interests.

1067 (i) The provisions of paragraphs (b)-(h) do not apply to
1068 mandatory reserve accounts required to be established and
1069 maintained by an association at the direction of a county or
1070 municipal government, water or drainage management district,
1071 community development district or other political subdivision
1072 that has the authority to approve and control subdivision
1073 infrastructure which is being entrusted to the care of an
1074 association on condition that the association establish and
1075 maintain one or more mandatory reserve accounts for the deferred

1076 maintenance or replacement of the infrastructure in accordance
 1077 with the requirements of that entrusting authority.

1078 Section 8. Paragraph (a) of subsection (9) of section
 1079 720.306, Florida Statutes, is amended to read:

1080 720.306 Meetings of members; voting and election
 1081 procedures; amendments.—

1082 (9) ELECTIONS AND BOARD VACANCIES.—

1083 (a) Elections of directors must be conducted in accordance
 1084 with the procedures set forth in the governing documents of the
 1085 association. Except as provided in paragraph (b), all members of
 1086 the association are eligible to serve on the board of directors,
 1087 and a member may nominate himself or herself as a candidate for
 1088 the board at a meeting where the election is to be held;
 1089 provided, however, that if the election process allows
 1090 candidates to be nominated in advance of the meeting, the
 1091 association is not required to allow nominations at the meeting.
 1092 An election is not required unless more candidates are nominated
 1093 than vacancies exist. If an election is not required because
 1094 there are either an equal number or fewer qualified candidates
 1095 than vacancies exist, and if nominations from the floor are not
 1096 required pursuant to this section or the bylaws, write-in
 1097 nominations are not permitted and such candidates shall commence
 1098 service on the board of directors, regardless of whether a
 1099 quorum is attained at the annual meeting. Except as otherwise
 1100 provided in the governing documents, boards of directors must be

1101 | elected by a plurality of the votes cast by eligible voters. Any
1102 | challenge to the election process must be commenced within 60
1103 | days after the election results are announced.

1104 | Section 9. Paragraph (b) of subsection (3) of section
1105 | 720.3085, Florida Statutes, is amended to read:

1106 | 720.3085 Payment for assessments; lien claims.—

1107 | (3) Assessments and installments on assessments that are
1108 | not paid when due bear interest from the due date until paid at
1109 | the rate provided in the declaration of covenants or the bylaws
1110 | of the association, which rate may not exceed the rate allowed
1111 | by law. If no rate is provided in the declaration or bylaws,
1112 | interest accrues at the rate of 18 percent per year.

1113 | (b) Any payment received by an association and accepted
1114 | shall be applied first to any interest accrued, then to any
1115 | administrative late fee, then to any costs and reasonable
1116 | attorney fees incurred in collection, and then to the delinquent
1117 | assessment. This paragraph applies notwithstanding any
1118 | restrictive endorsement, designation, or instruction placed on
1119 | or accompanying a payment. A late fee is not subject to the
1120 | provisions of chapter 687 and is not a fine. The foregoing is
1121 | applicable notwithstanding s. 673.3111, any purported accord and
1122 | satisfaction, or any restrictive endorsement, designation, or
1123 | instruction placed on or accompanying a payment. The preceding
1124 | sentence is intended to clarify existing law.

1125 | Section 10. This act shall take effect July 1, 2017.