

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.
14 718.113, F.S.; revising voting requirements relating
15 to alterations and additions to certain common
16 elements or association property; amending s. 718.707,
17 F.S.; revising the time period for classification as
18 bulk assignee or bulk buyer; amending s. 719.104,
19 F.S.; revising recordkeeping and reporting
20 requirements; amending s. 719.1055, F.S.; revising
21 provisions relating to required condominium and
22 cooperative association bylaws; revising provisions
23 relating to evidence of condominium and cooperative
24 association compliance with the fire and life safety
25 code; revising unit and common elements required to be

26 retrofitted; revising provisions relating to an
27 association vote to forego retrofitting; providing
28 applicability; amending s. 719.106, F.S.; revising
29 requirements to serve as a board member; prohibiting a
30 board member from voting via e-mail; requiring that
31 directors who are delinquent in certain payments owed
32 in excess of certain periods of time be deemed to have
33 abandoned their offices; authorizing an association to
34 adopt rules for posting certain notices on a website;
35 amending s. 719.107, F.S.; specifying certain services
36 which are obtained pursuant to a bulk contract to be
37 deemed a common expense; amending s. 720.303, F.S.;
38 prohibiting a board member from voting via e-mail;
39 revising certain notice requirements relating to board
40 meetings; revising and providing budget requirements;
41 providing an exemption to certain requirements;
42 revising financial reporting requirements; authorizing
43 an association to adopt rules for posting certain
44 notices on a website; amending s. 720.306, F.S.;
45 revising elections requirements; amending s. 720.3085,
46 F.S.; providing applicability; providing an effective
47 date.

48
49 Be It Enacted by the Legislature of the State of Florida:
50

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

53 718.111 The association.—

54 (12) OFFICIAL RECORDS.—

55 (a) From the inception of the association, the association
 56 shall maintain each of the following items, if applicable, which
 57 constitutes the official records of the association:

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

60 2. A photocopy of the recorded declaration of condominium
 61 of each condominium operated by the association and each
 62 amendment to each declaration.

63 3. A photocopy of the recorded bylaws of the association
 64 and each amendment to the bylaws.

65 4. A certified copy of the articles of incorporation of
 66 the association, or other documents creating the association,
 67 and each amendment thereto.

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

69 6. A book or books that contain the minutes of all
 70 meetings of the association, the board of administration, and
 71 the unit owners, which minutes must be retained for at least 7
 72 years.

73 7. A current roster of all unit owners and their mailing
 74 addresses, unit identifications, and voting certifications, and,
 75 if known, telephone numbers. The association shall also maintain

76 | the electronic mailing addresses and facsimile numbers of unit
77 | owners consenting to receive notice by electronic transmission.
78 | The electronic mailing addresses and facsimile numbers are not
79 | accessible to unit owners if consent to receive notice by
80 | electronic transmission is not provided in accordance with
81 | subparagraph (c)5. However, the association is not liable for an
82 | inadvertent disclosure of the electronic mail address or
83 | facsimile number for receiving electronic transmission of
84 | notices.

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

87 | 9. A current copy of any management agreement, lease, or
88 | other contract to which the association is a party or under
89 | which the association or the unit owners have an obligation or
90 | responsibility.

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

93 | 11. Accounting records for the association and separate
94 | accounting records for each condominium that the association
95 | operates. All accounting records must be maintained for at least
96 | 7 years. Any person who knowingly or intentionally defaces or
97 | destroys such records, or who knowingly or intentionally fails
98 | to create or maintain such records, with the intent of causing
99 | harm to the association or one or more of its members, is
100 | personally subject to a civil penalty pursuant to s.

101 718.501(1)(d). The accounting records must include, but are not
102 limited to:

103 a. Accurate, itemized, and detailed records of all
104 receipts and expenditures.

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

109 c. All audits, reviews, accounting statements, and
110 financial reports of the association or condominium.

111 d. All contracts for work to be performed. Bids for work
112 to be performed are also considered official records and must be
113 maintained by the association for 1 year.

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

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

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

123 15. All other written records of the association not
124 specifically included in the foregoing which are related to the
125 operation of the association.

126 16. A copy of the inspection report as described in s.
127 718.301(4)(p).

128 (b) The official records of the association must be
129 maintained within the state for at least 7 years. The records of
130 the association shall be made available to a unit owner within
131 45 miles of the condominium property or within the county in
132 which the condominium property is located within 10 ~~5~~ working
133 days after receipt of a written request by the board or its
134 designee. However, such distance requirement does not apply to
135 an association governing a timeshare condominium. This paragraph
136 may be complied with by having a copy of the official records of
137 the association available for inspection or copying on the
138 condominium property or association property, or the association
139 may offer the option of making the records available to a unit
140 owner electronically via the Internet or by allowing the records
141 to be viewed in electronic format on a computer screen and
142 printed upon request. The association is not responsible for the
143 use or misuse of the information provided to an association
144 member or his or her authorized representative pursuant to the
145 compliance requirements of this chapter unless the association
146 has an affirmative duty not to disclose such information
147 pursuant to this chapter.

148 (c) The official records of the association are open to
149 inspection by any association member or the authorized
150 representative of such member at all reasonable times. The right

151 to inspect the records includes the right to make or obtain
152 copies, at the reasonable expense, if any, of the member. The
153 association may adopt reasonable rules regarding the frequency,
154 time, location, notice, and manner of record inspections and
155 copying. The failure of an association to provide the records
156 within 10 working days after receipt of a written request
157 creates a rebuttable presumption that the association willfully
158 failed to comply with this paragraph. A unit owner who is denied
159 access to official records is entitled to the actual damages or
160 minimum damages for the association's willful failure to comply.
161 Minimum damages are \$50 per calendar day for up to 10 days,
162 beginning on the 11th working day after receipt of the written
163 request. The failure to permit inspection entitles any person
164 prevailing in an enforcement action to recover reasonable
165 attorney fees from the person in control of the records who,
166 directly or indirectly, knowingly denied access to the records.
167 Any person who knowingly or intentionally defaces or destroys
168 accounting records that are required by this chapter to be
169 maintained during the period for which such records are required
170 to be maintained, or who knowingly or intentionally fails to
171 create or maintain accounting records that are required to be
172 created or maintained, with the intent of causing harm to the
173 association or one or more of its members, is personally subject
174 to a civil penalty pursuant to s. 718.501(1)(d). The association
175 shall maintain an adequate number of copies of the declaration,

176 articles of incorporation, bylaws, and rules, and all amendments
177 to each of the foregoing, as well as the question and answer
178 sheet as described in s. 718.504 and year-end financial
179 information required under this section, on the condominium
180 property to ensure their availability to unit owners and
181 prospective purchasers, and may charge its actual costs for
182 preparing and furnishing these documents to those requesting the
183 documents. An association shall allow a member or his or her
184 authorized representative to use a portable device, including a
185 smartphone, tablet, portable scanner, or any other technology
186 capable of scanning or taking photographs, to make an electronic
187 copy of the official records in lieu of the association's
188 providing the member or his or her authorized representative
189 with a copy of such records. The association may not charge a
190 member or his or her authorized representative for the use of a
191 portable device. Notwithstanding this paragraph, the following
192 records are not accessible to unit owners:

193 1. Any record protected by the lawyer-client privilege as
194 described in s. 90.502 and any record protected by the work-
195 product privilege, including a record prepared by an association
196 attorney or prepared at the attorney's express direction, which
197 reflects a mental impression, conclusion, litigation strategy,
198 or legal theory of the attorney or the association, and which
199 was prepared exclusively for civil or criminal litigation or for
200 adversarial administrative proceedings, or which was prepared in

201 anticipation of such litigation or proceedings until the
202 conclusion of the litigation or proceedings.

203 2. Information obtained by an association in connection
204 with the approval of the lease, sale, or other transfer of a
205 unit.

206 3. Personnel records of association or management company
207 employees, including, but not limited to, disciplinary, payroll,
208 health, and insurance records. For purposes of this
209 subparagraph, the term "personnel records" does not include
210 written employment agreements with an association employee or
211 management company, or budgetary or financial records that
212 indicate the compensation paid to an association employee.

213 4. Medical records of unit owners.

214 5. Social security numbers, driver license numbers, credit
215 card numbers, e-mail addresses, telephone numbers, facsimile
216 numbers, emergency contact information, addresses of a unit
217 owner other than as provided to fulfill the association's notice
218 requirements, and other personal identifying information of any
219 person, excluding the person's name, unit designation, mailing
220 address, property address, and any address, e-mail address, or
221 facsimile number provided to the association to fulfill the
222 association's notice requirements. Notwithstanding the
223 restrictions in this subparagraph, an association may print and
224 distribute to parcel owners a directory containing the name,
225 parcel address, and all telephone numbers of each parcel owner.

226 However, an owner may exclude his or her telephone numbers from
227 the directory by so requesting in writing to the association. An
228 owner may consent in writing to the disclosure of other contact
229 information described in this subparagraph. The association is
230 not liable for the inadvertent disclosure of information that is
231 protected under this subparagraph if the information is included
232 in an official record of the association and is voluntarily
233 provided by an owner and not requested by the association.

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

236 7. The software and operating system used by the
237 association which allow the manipulation of data, even if the
238 owner owns a copy of the same software used by the association.
239 The data is part of the official records of the association.

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

242 (e)1. The association or its authorized agent is not
243 required to provide a prospective purchaser or lienholder with
244 information about the condominium or the association other than
245 information or documents required by this chapter to be made
246 available or disclosed. The association or its authorized agent
247 may charge a reasonable fee to the prospective purchaser,
248 lienholder, or the current unit owner for providing good faith
249 responses to requests for information by or on behalf of a
250 prospective purchaser or lienholder, other than that required by

251 law, if the fee does not exceed \$150 plus the reasonable cost of
252 photocopying and any attorney's fees incurred by the association
253 in connection with the response.

254 2. An association and its authorized agent are not liable
255 for providing such information in good faith pursuant to a
256 written request if the person providing the information includes
257 a written statement in substantially the following form: "The
258 responses herein are made in good faith and to the best of my
259 ability as to their accuracy."

260 (f) An outgoing board or committee member must relinquish
261 all official records and property of the association in his or
262 her possession or under his or her control to the incoming board
263 within 5 days after the election. The division shall impose a
264 civil penalty as set forth in s. 718.501(1)(d)6. against an
265 outgoing board or committee member who willfully and knowingly
266 fails to relinquish such records and property.

267 (13) FINANCIAL REPORTING.—Within 90 days after the end of
268 the fiscal year, or annually on a date provided in the bylaws,
269 the association shall prepare and complete, or contract for the
270 preparation and completion of, a financial report for the
271 preceding fiscal year. Within 21 days after the final financial
272 report is completed by the association or received from the
273 third party, but not later than 120 days after the end of the
274 fiscal year or other date as provided in the bylaws, the
275 association shall mail to each unit owner at the address last

276 furnished to the association by the unit owner, or hand deliver
277 to each unit owner, a copy of the financial report or a notice
278 that a copy of the financial report will be mailed or hand
279 delivered to the unit owner, without charge, upon receipt of a
280 written request from the unit owner. The division shall adopt
281 rules setting forth uniform accounting principles and standards
282 to be used by all associations and addressing the financial
283 reporting requirements for multicondominium associations. The
284 rules must include, but not be limited to, standards for
285 presenting a summary of association reserves, including a good
286 faith estimate disclosing the annual amount of reserve funds
287 that would be necessary for the association to fully fund
288 reserves for each reserve item based on the straight-line
289 accounting method. This disclosure is not applicable to reserves
290 funded via the pooling method. In adopting such rules, the
291 division shall consider the number of members and annual
292 revenues of an association. Financial reports shall be prepared
293 as follows:

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

299 1. An association with total annual revenues of \$150,000
300 or more, but less than \$300,000, shall prepare compiled

301 financial statements.

302 2. An association with total annual revenues of at least
303 \$300,000, but less than \$500,000, shall prepare reviewed
304 financial statements.

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

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

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

314 2.3. A report of cash receipts and disbursements must
315 disclose the amount of receipts by accounts and receipt
316 classifications and the amount of expenses by accounts and
317 expense classifications, including, but not limited to, the
318 following, as applicable: costs for security, professional and
319 management fees and expenses, taxes, costs for recreation
320 facilities, expenses for refuse collection and utility services,
321 expenses for lawn care, costs for building maintenance and
322 repair, insurance costs, administration and salary expenses, and
323 reserves accumulated and expended for capital expenditures,
324 deferred maintenance, and any other category for which the
325 association maintains reserves.

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

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

331 2. Reviewed or audited financial statements, if the
 332 association is required to prepare compiled financial
 333 statements; or

334 3. Audited financial statements if the association is
 335 required to prepare reviewed financial statements.

336 (d) If approved by a majority of the voting interests
 337 present at a properly called meeting of the association, an
 338 association may prepare:

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

341 2. A report of cash receipts and expenditures or a
 342 compiled financial statement in lieu of a reviewed or audited
 343 financial statement; or

344 3. A report of cash receipts and expenditures, a compiled
 345 financial statement, or a reviewed financial statement in lieu
 346 of an audited financial statement.

347
 348 Such meeting and approval must occur before the end of the
 349 fiscal year and is effective only for the fiscal year in which
 350 the vote is taken, except that the approval may also be

351 effective for the following fiscal year. If the developer has
352 not turned over control of the association, all unit owners,
353 including the developer, may vote on issues related to the
354 preparation of the association's financial reports, from the
355 date of incorporation of the association through the end of the
356 second fiscal year after the fiscal year in which the
357 certificate of a surveyor and mapper is recorded pursuant to s.
358 718.104(4)(e) or an instrument that transfers title to a unit in
359 the condominium which is not accompanied by a recorded
360 assignment of developer rights in favor of the grantee of such
361 unit is recorded, whichever occurs first. Thereafter, all unit
362 owners except the developer may vote on such issues until
363 control is turned over to the association by the developer. Any
364 audit or review prepared under this section shall be paid for by
365 the developer if done before turnover of control of the
366 association. ~~An association may not waive the financial~~
367 ~~reporting requirements of this section for more than 3~~
368 ~~consecutive years.~~

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

371 718.112 Bylaws.—

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

375 (c) Board of administration meetings.—Meetings of the

376 board of administration at which a quorum of the members is
377 present are open to all unit owners. Members of the board of
378 administration may use e-mail as a means of communication but
379 may not cast a vote on an association matter via e-mail. A unit
380 owner may tape record or videotape the meetings. The right to
381 attend such meetings includes the right to speak at such
382 meetings with reference to all designated agenda items. The
383 division shall adopt reasonable rules governing the tape
384 recording and videotaping of the meeting. The association may
385 adopt written reasonable rules governing the frequency,
386 duration, and manner of unit owner statements.

387 1. Adequate notice of all board meetings, which must
388 specifically identify all agenda items, must be posted
389 conspicuously on the condominium property at least 48 continuous
390 hours before the meeting except in an emergency. If 20 percent
391 of the voting interests petition the board to address an item of
392 business, the board, within 60 days after receipt of the
393 petition, shall place the item on the agenda at its next regular
394 board meeting or at a special meeting called for that purpose.
395 An item not included on the notice may be taken up on an
396 emergency basis by a vote of at least a majority plus one of the
397 board members. Such emergency action must be noticed and
398 ratified at the next regular board meeting. Notice of any
399 meeting in which a regular or special assessment against unit
400 owners is to be considered must specifically state that

401 assessments will be considered and provide the estimated amount
402 and a description of the purposes for such assessments. ~~However,~~
403 Written notice of a meeting at which a nonemergency special
404 assessment or an amendment to rules regarding unit use will be
405 considered must be mailed, delivered, or electronically
406 transmitted to the unit owners and posted conspicuously on the
407 condominium property at least 14 days before the meeting.
408 Evidence of compliance with this 14-day notice requirement must
409 be made by an affidavit executed by the person providing the
410 notice and filed with the official records of the association.
411 Upon notice to the unit owners, the board shall, by duly adopted
412 rule, designate a specific location on the condominium or
413 association property where all notices of board meetings must be
414 posted. If there is no condominium property or association
415 property where notices can be posted, notices shall be mailed,
416 delivered, or electronically transmitted to each unit owner at
417 least 14 days before the meeting. In lieu of or in addition to
418 the physical posting of the notice on the condominium property,
419 the association may, by reasonable rule, adopt a procedure for
420 conspicuously posting and repeatedly broadcasting the notice and
421 the agenda on a closed-circuit cable television system serving
422 the condominium association. However, if broadcast notice is
423 used in lieu of a notice physically posted on condominium
424 property, the notice and agenda must be broadcast at least four
425 times every broadcast hour of each day that a posted notice is

426 otherwise required under this section. If broadcast notice is
427 provided, the notice and agenda must be broadcast in a manner
428 and for a sufficient continuous length of time so as to allow an
429 average reader to observe the notice and read and comprehend the
430 entire content of the notice and the agenda. In addition to any
431 of the authorized means of providing notice of a meeting of the
432 board, the association may, by rule, adopt a procedure for
433 conspicuously posting the meeting notice and the agenda on a
434 website serving the condominium association for at least the
435 minimum period of time for which a notice of a meeting is also
436 required to be physically posted on the condominium property.
437 Any rule adopted shall, in addition to other matters, include a
438 requirement that the association send an electronic notice
439 providing a hypertext link to the website where the notice is
440 posted. ~~Notice of any meeting in which regular or special~~
441 ~~assessments against unit owners are to be considered must~~
442 ~~specifically state that assessments will be considered and~~
443 ~~provide the nature, estimated cost, and description of the~~
444 ~~purposes for such assessments.~~

445 2. Meetings of a committee to take final action on behalf
446 of the board or make recommendations to the board regarding the
447 association budget are subject to this paragraph. Meetings of a
448 committee that does not take final action on behalf of the board
449 or make recommendations to the board regarding the association
450 budget are subject to this section, unless those meetings are

451 | exempted from this section by the bylaws of the association.

452 | 3. Notwithstanding any other law, the requirement that
453 | board meetings and committee meetings be open to the unit owners
454 | does not apply to:

455 | a. Meetings between the board or a committee and the
456 | association's attorney, with respect to proposed or pending
457 | litigation, if the meeting is held for the purpose of seeking or
458 | rendering legal advice; or

459 | b. Board meetings held for the purpose of discussing
460 | personnel matters.

461 | (1) Certificate of compliance.—A provision that a
462 | certificate of compliance from a licensed electrical contractor
463 | or electrician may be accepted by the association's board as
464 | evidence of compliance ~~of the condominium units~~ with the
465 | applicable fire and life safety code must be included.
466 | Notwithstanding chapter 633, s. 509.215, s. 553.895(1), or ~~of~~
467 | any other code, statute, ordinance, administrative rule, or
468 | regulation, or any interpretation of the foregoing, an
469 | association, ~~residential condominium~~, or unit owner is not
470 | obligated to retrofit the common elements, association property,
471 | or units of a residential condominium with a fire sprinkler
472 | system or other engineered lifesafety system in a building that
473 | is 75 feet or less in height. There is no obligation to retrofit
474 | for a building greater than 75 feet in height, calculated from
475 | the lowest level of fire department vehicle access to the floor

476 of the highest occupiable story has been certified for occupancy
477 by the applicable governmental entity if the unit owners have
478 voted to forego such retrofitting by the affirmative vote of a
479 majority of all voting interests in the affected condominium.
480 There is no requirement that owners in condominiums of 75 feet
481 or less conduct an opt-out vote and such condominiums are exempt
482 from fire sprinkler or other engineered lifesafety retrofitting.
483 The preceding sentence is intended to clarify existing law. The
484 local authority having jurisdiction may not require completion
485 of retrofitting with a fire sprinkler system or other engineered
486 lifesafety system before January 1, 2022 ~~2020~~. By December 31,
487 2018 ~~2016~~, an a residential condominium association that
488 operates a residential condominium that is not in compliance
489 with the requirements for a fire sprinkler system or other
490 engineered lifesafety system and has not voted to forego
491 retrofitting of such a system must initiate an application for a
492 building permit for the required installation with the local
493 government having jurisdiction demonstrating that the
494 association will become compliant by December 31, 2021 ~~2019~~.

495 1. A vote to forego required retrofitting may be obtained
496 by limited proxy or by a ballot personally cast at a duly called
497 membership meeting, or by execution of a written consent by the
498 member, or by electronic voting, and is effective upon recording
499 a certificate executed by an officer or agent of the association
500 attesting to such vote in the public records of the county where

501 the condominium is located. When an opt-out vote is to be
502 conducted at a meeting, the association shall mail or ~~hand~~
503 deliver to each unit owner written notice at least 14 days
504 before the membership meeting in which the vote to forego
505 retrofitting of the required fire sprinkler system or other
506 engineered lifesafety system is to take place. Within 30 days
507 after the association's opt-out vote, notice of the results of
508 the opt-out vote must be mailed or ~~hand~~ delivered to all unit
509 owners. Evidence of compliance with this notice requirement must
510 be made by affidavit executed by the person providing the notice
511 and filed among the official records of the association. Failure
512 to provide timely notice to unit owners does not invalidate an
513 otherwise valid opt-out vote if notice of the results is
514 provided to the owners. ~~After notice is provided to each owner,~~
515 ~~a copy must be provided by the current owner to a new owner~~
516 ~~before closing and by a unit owner to a renter before signing a~~
517 ~~lease.~~

518 2. If there has been a previous vote to forego
519 retrofitting, a vote to require retrofitting may be obtained at
520 a special meeting of the unit owners called by a petition of at
521 least 10 percent of the voting interests or by a majority of the
522 board of directors. ~~Such a vote may only be called once every 3~~
523 ~~years.~~ Notice shall be provided as required for any regularly
524 called meeting of the unit owners, and must state the purpose of
525 the meeting. ~~Electronic transmission may not be used to provide~~

526 | ~~notice of a meeting called in whole or in part for this purpose.~~

527 | 3. As part of the information collected annually from
528 | condominiums, the division shall require condominium
529 | associations to report the membership vote and recording of a
530 | certificate under this subsection and, if retrofitting has been
531 | undertaken, the per-unit cost of such work. The division shall
532 | annually report to the Division of State Fire Marshal of the
533 | Department of Financial Services the number of condominiums that
534 | have elected to forego retrofitting. Compliance with this
535 | administrative reporting requirement does not affect the
536 | validity of an opt-out vote.

537 | 4. Notwithstanding s. 553.509, a residential association
538 | may not be obligated to, and may forego the retrofitting of, any
539 | improvements required by s. 553.509(2) upon an affirmative vote
540 | of a majority of the voting interests in the affected
541 | condominium.

542 | Section 3. Subsection (2) of section 718.113, Florida
543 | Statutes, is amended to read:

544 | 718.113 Maintenance; limitation upon improvement; display
545 | of flag; hurricane shutters and protection; display of religious
546 | decorations.—

547 | (2) (a) Except as otherwise provided in this section, there
548 | shall be no material alteration or substantial additions to the
549 | common elements or to real property which is association
550 | property, except in a manner provided in the declaration as

551 originally recorded or as amended under the procedures provided
552 therein. If the declaration as originally recorded or as amended
553 under the procedures provided therein does not specify the
554 procedure for approval of material alterations or substantial
555 additions, 75 percent of the total voting interests of the
556 association must approve the alterations or additions before the
557 material alterations or substantial additions are commenced.

558 This paragraph is intended to clarify existing law and applies
559 to associations existing on the effective date of this act
560 ~~October 1, 2008.~~

561 (b) There shall not be any material alteration of, or
562 substantial addition to, the common elements of any condominium
563 operated by a multicondominium association unless approved in
564 the manner provided in the declaration of the affected
565 condominium or condominiums as originally recorded or as amended
566 under the procedures provided therein. If a declaration as
567 originally recorded or as amended under the procedures provided
568 therein does not specify a procedure for approving such an
569 alteration or addition, the approval of 75 percent of the total
570 voting interests of each affected condominium is required before
571 the material alterations or substantial additions are commenced.

572 This subsection does not prohibit a provision in any
573 declaration, articles of incorporation, or bylaws as originally
574 recorded or as amended under the procedures provided therein
575 requiring the approval of unit owners in any condominium

576 operated by the same association or requiring board approval
577 before a material alteration or substantial addition to the
578 common elements is permitted. This paragraph is intended to
579 clarify existing law and applies to associations existing on the
580 effective date of this act.

581 (c) There shall not be any material alteration or
582 substantial addition made to association real property operated
583 by a multicondominium association, except as provided in the
584 declaration, articles of incorporation, or bylaws as originally
585 recorded or as amended under the procedures provided therein. If
586 the declaration, articles of incorporation, or bylaws as
587 originally recorded or as amended under the procedures provided
588 therein do not specify the procedure for approving an alteration
589 or addition to association real property, the approval of 75
590 percent of the total voting interests of the association is
591 required before the material alterations or substantial
592 additions are commenced. This paragraph is intended to clarify
593 existing law and applies to associations existing on the
594 effective date of this act.

595 Section 4. Section 718.707, Florida Statutes, is amended
596 to read:

597 718.707 Time limitation for classification as bulk
598 assignee or bulk buyer.—A person acquiring condominium parcels
599 may not be classified as a bulk assignee or bulk buyer unless
600 the condominium parcels were acquired on or after July 1, 2010~~7~~

601 ~~but before July 1, 2018.~~ The date of such acquisition shall be
 602 determined by the date of recording a deed or other instrument
 603 of conveyance for such parcels in the public records of the
 604 county in which the condominium is located, or by the date of
 605 issuing a certificate of title in a foreclosure proceeding with
 606 respect to such condominium parcels.

607 Section 5. Paragraphs (a) and (b) of subsection (2) and
 608 paragraphs (b) and (c) of subsection (4) of section 719.104,
 609 Florida Statutes, are amended to read:

610 719.104 Cooperatives; access to units; records; financial
 611 reports; assessments; purchase of leases.—

612 (2) OFFICIAL RECORDS.—

613 (a) From the inception of the association, the association
 614 shall maintain a copy of each of the following, where
 615 applicable, which shall constitute the official records of the
 616 association:

617 1. The plans, permits, warranties, and other items
 618 provided by the developer pursuant to s. 719.301(4).

619 2. A photocopy of the cooperative documents.

620 3. A copy of the current rules of the association.

621 4. A book or books containing the minutes of all meetings
 622 of the association, of the board of directors, and of the unit
 623 owners, which minutes shall be retained for a period of not less
 624 than 7 years.

625 5. A current roster of all unit owners and their mailing

626 addresses, unit identifications, voting certifications, and, if
627 known, telephone numbers. The association shall also maintain
628 the electronic mailing addresses and the numbers designated by
629 unit owners for receiving notice sent by electronic transmission
630 of those unit owners consenting to receive notice by electronic
631 transmission. The electronic mailing addresses and numbers
632 provided by unit owners to receive notice by electronic
633 transmission shall be removed from association records when
634 consent to receive notice by electronic transmission is revoked.
635 However, the association is not liable for an erroneous
636 disclosure of the electronic mail address or the number for
637 receiving electronic transmission of notices.

638 6. All current insurance policies of the association.

639 7. A current copy of any management agreement, lease, or
640 other contract to which the association is a party or under
641 which the association or the unit owners have an obligation or
642 responsibility.

643 8. Bills of sale or transfer for all property owned by the
644 association.

645 9. Accounting records for the association and separate
646 accounting records for each unit it operates, according to good
647 accounting practices. All accounting records shall be maintained
648 for a period of not less than 7 years. The accounting records
649 shall include, but not be limited to:

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

651 receipts and expenditures.

652 b. A current account and a monthly, bimonthly, or
653 quarterly statement of the account for each unit designating the
654 name of the unit owner, the due date and amount of each
655 assessment, the amount paid upon the account, and the balance
656 due.

657 c. All audits, reviews, accounting statements, and
658 financial reports of the association.

659 d. All contracts for work to be performed. Bids for work
660 to be performed shall also be considered official records and
661 shall be maintained for a period of 1 year.

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

666 11. All rental records where the association is acting as
667 agent for the rental of units.

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

670 13. All other written records of the association not
671 specifically included in the foregoing which are related to the
672 operation of the association.

673 (b) The official records of the association must be
674 maintained within the state for at least 7 years. The records of
675 the association shall be made available to a unit owner within

676 45 miles of the cooperative property or within the county in
677 which the cooperative property is located within 10 ~~5~~ working
678 days after receipt of written request by the board or its
679 designee. This paragraph may be complied with by having a copy
680 of the official records of the association available for
681 inspection or copying on the cooperative property or the
682 association may offer the option of making the records available
683 to a unit owner electronically via the Internet or by allowing
684 the records to be viewed in an electronic format on a computer
685 screen and printed upon request. The association is not
686 responsible for the use or misuse of the information provided to
687 an association member or his or her authorized representative
688 pursuant to the compliance requirements of this chapter unless
689 the association has an affirmative duty not to disclose such
690 information pursuant to this chapter.

691 (4) FINANCIAL REPORT.—

692 (b) Except as provided in paragraph (c), an association
693 whose total annual revenues meet the criteria of this paragraph
694 shall prepare or cause to be prepared a complete set of
695 financial statements according to the generally accepted
696 accounting principles adopted by the Board of Accountancy. The
697 financial statements shall be as follows:

698 1. An association with total annual revenues between
699 \$150,000 and \$299,999 shall prepare a compiled financial
700 statement.

701 2. An association with total annual revenues between
702 \$300,000 and \$499,999 shall prepare a reviewed financial
703 statement.

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

706 4. The requirement to have the financial statement
707 compiled, reviewed, or audited does not apply to an association
708 if a majority of the voting interests of the association present
709 at a duly called meeting of the association have voted to waive
710 this requirement for the fiscal year. In an association in which
711 turnover of control by the developer has not occurred, the
712 developer may vote to waive the audit requirement for the first
713 2 years of operation of the association, after which time waiver
714 of an applicable audit requirement shall be by a majority of
715 voting interests other than the developer. The meeting shall be
716 held prior to the end of the fiscal year, and the waiver shall
717 be effective for only one fiscal year. ~~An association may not
718 waive the financial reporting requirements of this section for
719 more than 3 consecutive years.~~

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

723 ~~2. An association in a community of fewer than 50 units,
724 regardless of the association's annual revenues, shall prepare a
725 report of cash receipts and expenditures in lieu of the~~

726 ~~financial statements required by paragraph (b), unless the~~
727 ~~declaration or other recorded governing documents provide~~
728 ~~otherwise.~~

729 2.3. A report of cash receipts and expenditures must
730 disclose the amount of receipts by accounts and receipt
731 classifications and the amount of expenses by accounts and
732 expense classifications, including the following, as applicable:
733 costs for security, professional, and management fees and
734 expenses; taxes; costs for recreation facilities; expenses for
735 refuse collection and utility services; expenses for lawn care;
736 costs for building maintenance and repair; insurance costs;
737 administration and salary expenses; and reserves, if maintained
738 by the association.

739 Section 6. Subsection (5) of section 719.1055, Florida
740 Statutes, is amended to read:

741 719.1055 Amendment of cooperative documents; alteration
742 and acquisition of property.—

743 (5) The bylaws must include a provision whereby a
744 certificate of compliance from a licensed electrical contractor
745 or electrician may be accepted by the association's board as
746 evidence of compliance ~~of the cooperative units~~ with the
747 applicable fire and life safety code.

748 (a)1. Notwithstanding chapter 633, s. 509.215, s.
749 553.895(1), or any other code, statute, ordinance,
750 administrative rule, or regulation, or any interpretation of the

751 foregoing, an association ~~a cooperative~~ or unit owner is not
752 obligated to retrofit the common elements or units of a
753 residential cooperative with a fire sprinkler system or other
754 engineered lifesafety system in a building that is 75 feet or
755 less in height. There is no obligation to retrofit for a
756 building greater than 75 feet in height, calculated from the
757 lowest level of fire department vehicle access to the floor of
758 the highest occupiable story ~~has been certified for occupancy by~~
759 ~~the applicable governmental entity~~ if the unit owners have voted
760 to forego such retrofitting by the affirmative vote of a
761 majority of all voting interests in the affected cooperative.
762 There is no requirement that owners in cooperatives of 75 feet
763 or less conduct an opt-out vote and such cooperatives are exempt
764 from fire sprinkler or other engineered life safety
765 retrofitting. The preceding sentence is intended to clarify
766 existing law. The local authority having jurisdiction may not
767 require completion of retrofitting with a fire sprinkler system
768 or other engineered life safety system before January 1, 2022
769 ~~the end of 2019~~. By December 31, 2018 ~~2016~~, a cooperative that
770 is not in compliance with the requirements for a fire sprinkler
771 system or other engineered lifesafety system and has not voted
772 to forego retrofitting of such a system must initiate an
773 application for a building permit for the required installation
774 with the local government having jurisdiction demonstrating that
775 the cooperative will become compliant by December 31, 2021 ~~2019~~.

776 2. A vote to forego required retrofitting may be obtained
777 by limited proxy or by a ballot personally cast at a duly called
778 membership meeting, or by execution of a written consent by the
779 member, or by electronic voting, and is effective upon recording
780 a certificate executed by an officer or agent of the association
781 attesting to such vote in the public records of the county where
782 the cooperative is located. When the opt-out vote is to be
783 conducted at a meeting, the cooperative shall mail or ~~hand~~
784 deliver to each unit owner written notice at least 14 days
785 before the membership meeting in which the vote to forego
786 retrofitting of the required fire sprinkler system or other
787 engineered lifesafety system is to take place. Within 30 days
788 after the cooperative's opt-out vote, notice of the results of
789 the opt-out vote must be mailed or ~~hand~~ delivered to all unit
790 owners. Evidence of compliance with this notice requirement must
791 be made by affidavit executed by the person providing the notice
792 and filed among the official records of the cooperative. Failure
793 to provide timely notice to unit owners does not invalidate an
794 otherwise valid opt-out vote if notice of the results is
795 provided to the owners. ~~After notice is provided to each owner,~~
796 ~~a copy must be provided by the current owner to a new owner~~
797 ~~before closing and by a unit owner to a renter before signing a~~
798 ~~lease.~~

799 (b) If there has been a previous vote to forego
800 retrofitting, a vote to require retrofitting may be obtained at

801 a special meeting of the unit owners called by a petition of
 802 least 10 percent of the voting interests or by a majority of the
 803 board of directors. ~~Such vote may only be called once every 3~~
 804 ~~years.~~ Notice must be provided as required for any regularly
 805 called meeting of the unit owners, and the notice must state the
 806 purpose of the meeting. ~~Electronic transmission may not be used~~
 807 ~~to provide notice of a meeting called in whole or in part for~~
 808 ~~this purpose.~~

809 (c) As part of the information collected annually from
 810 cooperatives, the division shall require associations to report
 811 the membership vote and recording of a certificate under this
 812 subsection and, if retrofitting has been undertaken, the per-
 813 unit cost of such work. The division shall annually report to
 814 the Division of State Fire Marshal of the Department of
 815 Financial Services the number of cooperatives that have elected
 816 to forego retrofitting. Compliance with this administrative
 817 reporting requirement does not affect the validity of an opt-out
 818 vote.

819 Section 7. Paragraphs (a) and (c) of subsection (1) of
 820 section 719.106, Florida Statutes, are amended, and paragraph
 821 (m) is added to that subsection, to read:

822 719.106 Bylaws; cooperative ownership.—

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

826 (a) Administration.—

827 1. The form of administration of the association shall be
828 described, indicating the titles of the officers and board of
829 administration and specifying the powers, duties, manner of
830 selection and removal, and compensation, if any, of officers and
831 board members. In the absence of such a provision, the board of
832 administration shall be composed of five members, except in the
833 case of cooperatives having five or fewer units, in which case
834 in not-for-profit corporations, the board shall consist of not
835 fewer than three members. In a residential cooperative
836 association of more than 10 units, co-owners of a unit may not
837 serve as members of the board of directors at the same time
838 unless the co-owners own more than one unit or unless there are
839 not enough eligible candidates to fill the vacancies on the
840 board at the time of the vacancy. In the absence of provisions
841 to the contrary, the board of administration shall have a
842 president, a secretary, and a treasurer, who shall perform the
843 duties of those offices customarily performed by officers of
844 corporations. Unless prohibited in the bylaws, the board of
845 administration may appoint other officers and grant them those
846 duties it deems appropriate. Unless otherwise provided in the
847 bylaws, the officers shall serve without compensation and at the
848 pleasure of the board. Unless otherwise provided in the bylaws,
849 the members of the board shall serve without compensation.

850 2. A person who has been suspended or removed by the

851 | division under this chapter, or who is delinquent in the payment
852 | of any monetary obligation due to the association, is not
853 | eligible to be a candidate for board membership and may not be
854 | listed on the ballot. A director or officer charged by
855 | information or indictment with a felony theft or embezzlement
856 | offense involving the association's funds or property is
857 | suspended from office. The board shall fill the vacancy
858 | according to general law until the end of the period of the
859 | suspension or the end of the director's term of office,
860 | whichever occurs first. However, if the charges are resolved
861 | without a finding of guilt or without acceptance of a plea of
862 | guilty or nolo contendere, the director or officer shall be
863 | reinstated for any remainder of his or her term of office. A
864 | member who has such criminal charges pending may not be
865 | appointed or elected to a position as a director or officer. A
866 | person who has been convicted of any felony in this state or in
867 | any United States District Court, or who has been convicted of
868 | any offense in another jurisdiction which would be considered a
869 | felony if committed in this state, is not eligible for board
870 | membership unless such felon's civil rights have been restored
871 | for at least 5 years as of the date such person seeks election
872 | to the board. The validity of an action by the board is not
873 | affected if it is later determined that a board member is
874 | ineligible for board membership due to having been convicted of
875 | a felony.

876 3. When a unit owner files a written inquiry by certified
877 mail with the board of administration, the board shall respond
878 in writing to the unit owner within 30 days of receipt of the
879 inquiry. The board's response shall either give a substantive
880 response to the inquirer, notify the inquirer that a legal
881 opinion has been requested, or notify the inquirer that advice
882 has been requested from the division. If the board requests
883 advice from the division, the board shall, within 10 days of its
884 receipt of the advice, provide in writing a substantive response
885 to the inquirer. If a legal opinion is requested, the board
886 shall, within 60 days after the receipt of the inquiry, provide
887 in writing a substantive response to the inquirer. The failure
888 to provide a substantive response to the inquirer as provided
889 herein precludes the board from recovering attorney's fees and
890 costs in any subsequent litigation, administrative proceeding,
891 or arbitration arising out of the inquiry. The association may,
892 through its board of administration, adopt reasonable rules and
893 regulations regarding the frequency and manner of responding to
894 the unit owners' inquiries, one of which may be that the
895 association is obligated to respond to only one written inquiry
896 per unit in any given 30-day period. In such case, any
897 additional inquiry or inquiries must be responded to in the
898 subsequent 30-day period, or periods, as applicable.

899 (c) Board of administration meetings.—Members of the board
900 of administration may use e-mail as a means of communication but

901 may not cast a vote on an association matter via e-mail.
902 Meetings of the board of administration at which a quorum of the
903 members is present shall be open to all unit owners. Any unit
904 owner may tape record or videotape meetings of the board of
905 administration. The right to attend such meetings includes the
906 right to speak at such meetings with reference to all designated
907 agenda items. The division shall adopt reasonable rules
908 governing the tape recording and videotaping of the meeting. The
909 association may adopt reasonable written rules governing the
910 frequency, duration, and manner of unit owner statements.
911 Adequate notice of all meetings shall be posted in a conspicuous
912 place upon the cooperative property at least 48 continuous hours
913 preceding the meeting, except in an emergency. Any item not
914 included on the notice may be taken up on an emergency basis by
915 at least a majority plus one of the members of the board. Such
916 emergency action shall be noticed and ratified at the next
917 regular meeting of the board. Notice of any meeting in which
918 regular or special assessments against unit owners are to be
919 considered must specifically state that assessments will be
920 considered and provide the estimated amount and description of
921 the purposes for such assessments. ~~However,~~ Written notice of
922 any meeting at which nonemergency special assessments, or at
923 which amendment to rules regarding unit use, will be considered
924 shall be mailed, delivered, or electronically transmitted to the
925 unit owners and posted conspicuously on the cooperative property

926 | not less than 14 days before the meeting. Evidence of compliance
927 | with this 14-day notice shall be made by an affidavit executed
928 | by the person providing the notice and filed among the official
929 | records of the association. Upon notice to the unit owners, the
930 | board shall by duly adopted rule designate a specific location
931 | on the cooperative property upon which all notices of board
932 | meetings shall be posted. In lieu of or in addition to the
933 | physical posting of notice of any meeting of the board of
934 | administration on the cooperative property, the association may,
935 | by reasonable rule, adopt a procedure for conspicuously posting
936 | and repeatedly broadcasting the notice and the agenda on a
937 | closed-circuit cable television system serving the cooperative
938 | association. However, if broadcast notice is used in lieu of a
939 | notice posted physically on the cooperative property, the notice
940 | and agenda must be broadcast at least four times every broadcast
941 | hour of each day that a posted notice is otherwise required
942 | under this section. When broadcast notice is provided, the
943 | notice and agenda must be broadcast in a manner and for a
944 | sufficient continuous length of time so as to allow an average
945 | reader to observe the notice and read and comprehend the entire
946 | content of the notice and the agenda. In addition to any of the
947 | authorized means of providing notice of a meeting of the board,
948 | the association may, by rule, adopt a procedure for
949 | conspicuously posting the meeting notice and the agenda on a
950 | website serving the cooperative association for at least the

951 minimum period of time for which a notice of a meeting is also
952 required to be physically posted on the cooperative property.
953 Any rule adopted shall, in addition to other matters, include a
954 requirement that the association send an electronic notice
955 providing a hypertext link to the website where the notice is
956 posted. ~~Notice of any meeting in which regular assessments~~
957 ~~against unit owners are to be considered for any reason shall~~
958 ~~specifically contain a statement that assessments will be~~
959 ~~considered and the nature of any such assessments.~~ Meetings of a
960 committee to take final action on behalf of the board or to make
961 recommendations to the board regarding the association budget
962 are subject to the provisions of this paragraph. Meetings of a
963 committee that does not take final action on behalf of the board
964 or make recommendations to the board regarding the association
965 budget are subject to the provisions of this section, unless
966 those meetings are exempted from this section by the bylaws of
967 the association. Notwithstanding any other law to the contrary,
968 the requirement that board meetings and committee meetings be
969 open to the unit owners does not apply to board or committee
970 meetings held for the purpose of discussing personnel matters or
971 meetings between the board or a committee and the association's
972 attorney, with respect to proposed or pending litigation, if the
973 meeting is held for the purpose of seeking or rendering legal
974 advice.

975 (m) Director or officer delinquencies.—A director or

976 | officer more than 90 days delinquent in the payment of any
 977 | monetary obligation due the association shall be deemed to have
 978 | abandoned the office, creating a vacancy in the office to be
 979 | filled according to law.

980 | Section 8. Paragraph (b) of subsection (1) of section
 981 | 719.107, Florida Statutes, is amended to read:

982 | 719.107 Common expenses; assessment.—

983 | (1)

984 | (b) If so provided in the bylaws, the cost of a master
 985 | antenna television system or duly franchised cable television
 986 | service, communications services as defined in chapter 202,
 987 | information services, or Internet services obtained pursuant to
 988 | a bulk contract shall be deemed a common expense, and if not
 989 | obtained pursuant to a bulk contract, such cost shall be
 990 | considered common expense if it is designated as such in a
 991 | written contract between the board of administration and the
 992 | company providing the master television antenna system or the
 993 | cable television service, communications services as defined in
 994 | chapter 202, information services, or Internet services. The
 995 | contract shall be for a term of not less than 2 years.

996 | 1. Any contract made by the board after April 2, 1992, for
 997 | a community antenna system or duly franchised cable television
 998 | service, communications services as defined in chapter 202,
 999 | information services, or Internet services may be canceled by a
 1000 | majority of the voting interests present at the next regular or

1001 special meeting of the association. Any member may make a motion
1002 to cancel the contract, but if no motion is made or if such
1003 motion fails to obtain the required majority at the next regular
1004 or special meeting, whichever is sooner, following the making of
1005 the contract, then such contract shall be deemed ratified for
1006 the term therein expressed.

1007 2. Any such contract shall provide, and shall be deemed to
1008 provide if not expressly set forth, that any hearing impaired or
1009 legally blind unit owner who does not occupy the unit with a
1010 nonhearing impaired or sighted person may discontinue the
1011 service without incurring disconnect fees, penalties, or
1012 subsequent service charges, and as to such units, the owners
1013 shall not be required to pay any common expenses charge related
1014 to such service. If less than all members of an association
1015 share the expenses of cable television, the expense shall be
1016 shared equally by all participating unit owners. The association
1017 may use the provisions of s. 719.108 to enforce payment of the
1018 shares of such costs by the unit owners receiving cable
1019 television.

1020 Section 9. Paragraphs (a) and (c) of subsection (2) and
1021 subsections (6) and (7) of section 720.303, Florida Statutes,
1022 are amended to read:

1023 720.303 Association powers and duties; meetings of board;
1024 official records; budgets; budget meetings; financial reporting;
1025 association funds; recalls.-

1026 (2) BOARD MEETINGS.—

1027 (a) Members of the board of administration may use e-mail

1028 as a means of communication, but may not cast a vote on an

1029 association matter via e-mail. A meeting of the board of

1030 directors of an association occurs whenever a quorum of the

1031 board gathers to conduct association business. Meetings of the

1032 board must be open to all members, except for meetings between

1033 the board and its attorney with respect to proposed or pending

1034 litigation where the contents of the discussion would otherwise

1035 be governed by the attorney-client privilege. A meeting of the

1036 board must be held at a location that is accessible to a

1037 physically handicapped person if requested by a physically

1038 handicapped person who has a right to attend the meeting. The

1039 provisions of this subsection shall also apply to the meetings

1040 of any committee or other similar body when a final decision

1041 will be made regarding the expenditure of association funds and

1042 to meetings of any body vested with the power to approve or

1043 disapprove architectural decisions with respect to a specific

1044 parcel of residential property owned by a member of the

1045 community.

1046 (c) The bylaws shall provide the following for giving

1047 notice to parcel owners and members of all board meetings and,

1048 if they do not do so, shall be deemed to include ~~provide~~ the

1049 following:

1050 1. Notices of all board meetings must be posted in a

1051 conspicuous place in the community at least 48 hours in advance
1052 of a meeting, except in an emergency. In the alternative, if
1053 notice is not posted in a conspicuous place in the community,
1054 notice of each board meeting must be mailed or delivered to each
1055 member at least 7 days before the meeting, except in an
1056 emergency. Notwithstanding this general notice requirement, for
1057 communities with more than 100 members, the association bylaws
1058 may provide for a reasonable alternative to posting or mailing
1059 of notice for each board meeting, including publication of
1060 notice, provision of a schedule of board meetings, or the
1061 conspicuous posting and repeated broadcasting of the notice on a
1062 closed-circuit cable television system serving the homeowners'
1063 association. However, if broadcast notice is used in lieu of a
1064 notice posted physically in the community, the notice must be
1065 broadcast at least four times every broadcast hour of each day
1066 that a posted notice is otherwise required. When broadcast
1067 notice is provided, the notice and agenda must be broadcast in a
1068 manner and for a sufficient continuous length of time so as to
1069 allow an average reader to observe the notice and read and
1070 comprehend the entire content of the notice and the agenda. The
1071 association may provide notice by electronic transmission in a
1072 manner authorized by law for meetings of the board of directors,
1073 committee meetings requiring notice under this section, and
1074 annual and special meetings of the members to any member who has
1075 provided a facsimile number or e-mail address to the association

1076 | to be used for such purposes; however, a member must consent in
1077 | writing to receiving notice by electronic transmission.

1078 | 2. An assessment may not be levied at a board meeting
1079 | unless the notice of the meeting includes a statement that
1080 | assessments will be considered and the nature of the
1081 | assessments. Written notice of any meeting at which special
1082 | assessments will be considered or at which amendments to rules
1083 | regarding parcel use will be considered must be mailed,
1084 | delivered, or electronically transmitted to the members and
1085 | parcel owners and posted conspicuously on the property or
1086 | broadcast on closed-circuit cable television not less than 14
1087 | days before the meeting.

1088 | 3. Directors may not vote by proxy or by secret ballot at
1089 | board meetings, except that secret ballots may be used in the
1090 | election of officers. This subsection also applies to the
1091 | meetings of any committee or other similar body, when a final
1092 | decision will be made regarding the expenditure of association
1093 | funds, and to any body vested with the power to approve or
1094 | disapprove architectural decisions with respect to a specific
1095 | parcel of residential property owned by a member of the
1096 | community.

1097 | (6) BUDGETS; BUDGET MEETINGS.—

1098 | (a) The association shall prepare an annual budget that
1099 | sets out the annual operating expenses. The budget must reflect
1100 | the estimated revenues and expenses for that year and the

1101 estimated surplus or deficit as of the end of the current year.
1102 The budget must set out separately all fees or charges paid for
1103 by the association for recreational amenities, whether owned by
1104 the association, the developer, or another person. The
1105 association shall provide each member with a copy of the annual
1106 budget or a written notice that a copy of the budget is
1107 available upon request at no charge to the member. The copy must
1108 be provided to the member within the time limits set forth in
1109 subsection (5).

1110 (b) In addition to annual operating expenses, the budget
1111 must ~~may~~ include reserve accounts for capital expenditures and
1112 deferred maintenance ~~for~~ which are obligations of the
1113 association under is responsible. ~~If reserve accounts are not~~
1114 ~~established pursuant to paragraph (d), funding of such reserves~~
1115 ~~is limited to the extent that~~ the governing documents for any
1116 item that has a deferred maintenance expense or replacement cost
1117 that exceeds \$10,000. The amount to be reserved must be computed
1118 using a formula based upon estimated remaining useful life and
1119 estimated replacement cost or deferred maintenance expense of
1120 each reserve item. The association may adjust replacement
1121 reserve limit increases in assessments annually to take into
1122 account any changes in estimates or extension of the useful life
1123 of a reserve item caused by deferred maintenance. This
1124 subsection does not apply to a budget adopted by the members of
1125 an association by a majority vote at a duly called meeting.

1126 ~~including reserves. If the budget of the association to provide~~
1127 ~~no reserves or less reserves than required by this subsection~~
1128 ~~includes reserve accounts established pursuant to paragraph (d),~~
1129 ~~such reserves shall be determined, maintained, and waived in the~~
1130 ~~manner provided in this subsection. Once an association provides~~
1131 ~~for reserve accounts pursuant to paragraph (d), the association~~
1132 ~~shall thereafter determine, maintain, and waive reserves in~~
1133 ~~compliance with this subsection. This section does not preclude~~
1134 ~~the termination of a reserve account established pursuant to~~
1135 ~~this paragraph upon approval of a majority of the total voting~~
1136 ~~interests of the association. Upon such approval, the~~
1137 ~~terminating reserve account shall be removed from the budget.~~

1138 ~~(c)1.~~ Before turnover of control of an ~~If the budget of~~
1139 ~~the association pursuant to s. 720.307, the developer may vote~~
1140 the voting interests allocated to its parcels to waive the
1141 reserves or reduce the funding of reserves through the period
1142 expiring at the end of the second fiscal year after the fiscal
1143 year in which the governing documents are initially recorded or
1144 an instrument that transfers title to a parcel subject to the
1145 governing documents which is not accompanied by a recorded
1146 assignment of developer rights in favor of the grantee of such
1147 parcel is recorded, whichever occurs first, after which time
1148 reserves may be waived or reduced only upon the vote of a
1149 majority of all nondeveloper voting interests voting in person
1150 or by limited proxy at a duly called meeting of the association.

1151 ~~does not provide for reserve accounts pursuant to paragraph (d)~~
1152 ~~and the association is responsible for the repair and~~
1153 ~~maintenance of capital improvements that may result in a special~~
1154 ~~assessment if reserves are not provided, each financial report~~
1155 ~~for the preceding fiscal year required by subsection (7) must~~
1156 ~~contain the following statement in conspicuous type:~~

1157 ~~THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR RESERVE~~
1158 ~~ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT~~
1159 ~~MAY RESULT IN SPECIAL ASSESSMENTS. OWNERS MAY ELECT TO PROVIDE~~
1160 ~~FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA~~
1161 ~~STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF THE TOTAL~~
1162 ~~VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE MEMBERS AT A~~
1163 ~~MEETING OR BY WRITTEN CONSENT.~~

1164 ~~2. If the budget of the association does provide for~~
1165 ~~funding accounts for deferred expenditures, including, but not~~
1166 ~~limited to, funds for capital expenditures and deferred~~
1167 ~~maintenance, but such accounts are not created or established~~
1168 ~~pursuant to paragraph (d), each financial report for the~~
1169 ~~preceding fiscal year required under subsection (7) must also~~
1170 ~~contain the following statement in conspicuous type:~~

1171 ~~THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY~~
1172 ~~DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES~~
1173 ~~AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED~~
1174 ~~IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED~~
1175 ~~TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6),~~

1176 ~~FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE~~
1177 ~~RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR~~
1178 ~~ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.~~

1179 ~~(d) An association is deemed to have provided for reserve~~
1180 ~~accounts if reserve accounts have been initially established by~~
1181 ~~the developer or if the membership of the association~~
1182 ~~affirmatively elects to provide for reserves. If reserve~~
1183 ~~accounts are established by the developer, the budget must~~
1184 ~~designate the components for which the reserve accounts may be~~
1185 ~~used. If reserve accounts are not initially provided by the~~
1186 ~~developer, the membership of the association may elect to do so~~
1187 ~~upon the affirmative approval of a majority of the total voting~~
1188 ~~interests of the association. Such approval may be obtained by~~
1189 ~~vote of the members at a duly called meeting of the membership~~
1190 ~~or by the written consent of a majority of the total voting~~
1191 ~~interests of the association. The approval action of the~~
1192 ~~membership must state that reserve accounts shall be provided~~
1193 ~~for in the budget and must designate the components for which~~
1194 ~~the reserve accounts are to be established. Upon approval by the~~
1195 ~~membership, the board of directors shall include the required~~
1196 ~~reserve accounts in the budget in the next fiscal year following~~
1197 ~~the approval and each year thereafter. Once established as~~
1198 ~~provided in this subsection, the reserve accounts must be funded~~
1199 ~~or maintained or have their funding waived in the manner~~
1200 ~~provided in paragraph (f).~~

1201 ~~(e) The amount to be reserved in any account established~~
1202 ~~shall be computed by means of a formula that is based upon~~
1203 ~~estimated remaining useful life and estimated replacement cost~~
1204 ~~or deferred maintenance expense of each reserve item. The~~
1205 ~~association may adjust replacement reserve assessments annually~~
1206 ~~to take into account any changes in estimates of cost or useful~~
1207 ~~life of a reserve item.~~

1208 ~~(f) After one or more reserve accounts are established,~~
1209 ~~the membership of the association, upon a majority vote at a~~
1210 ~~meeting at which a quorum is present, may provide for no~~
1211 ~~reserves or less reserves than required by this section. If a~~
1212 ~~meeting of the parcel unit owners has been called to determine~~
1213 ~~whether to waive or reduce the funding of reserves and such~~
1214 ~~result is not achieved or a quorum is not present, the reserves~~
1215 ~~as included in the budget go into effect. After the turnover,~~
1216 ~~the developer may vote its voting interest to waive or reduce~~
1217 ~~the funding of reserves. Any vote taken pursuant to this~~
1218 ~~subsection to waive or reduce reserves is applicable only to one~~
1219 ~~budget year.~~

1220 (d) Reserve funds and any interest accruing thereon shall
1221 remain in the reserve account or accounts and may be used only
1222 for authorized reserve expenditures unless their use for other
1223 purposes is approved in advance by a majority vote at a duly
1224 called meeting of the association. Before turnover of control of
1225 an association by a developer to parcel owners other than the

1226 developer pursuant to s. 720.307, the developer-controlled
1227 association may not vote to use reserves for purposes other than
1228 those for which they were intended without the approval of a
1229 majority of all nondeveloper voting interests, voting in person
1230 or by limited proxy at a duly called meeting of the association.

1231 (e) The only voting interests eligible to vote on
1232 questions that involve waiving or reducing the funding of
1233 reserves, or using existing reserve funds for purposes other
1234 than purposes for which the reserves were intended, are the
1235 voting interests of the parcels subject to assessment to fund
1236 the reserves in question. Any vote taken pursuant to this
1237 subsection to waive or reduce reserves is applicable only to one
1238 budget year. Proxy questions relating to waiving or reducing the
1239 funding of reserves or using existing reserve funds for purposes
1240 other than purposes for which the reserves were intended must
1241 contain the following statement in capitalized, bold letters in
1242 a font size larger than any other used on the face of the proxy
1243 ballot: WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING
1244 ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN PARCEL OWNER
1245 LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS
1246 REGARDING THOSE ITEMS.

1247 (f) Funding formulas for reserves required by this section
1248 must be based on a pooled analysis of two or more of the items
1249 for which reserves are required to be accrued pursuant to this
1250 subsection. The amount of the contribution to the pooled reserve

1251 account as disclosed on the proposed budget may not be less than
1252 that required to ensure that the balance on hand at the
1253 beginning of the period the budget will go into effect plus the
1254 projected annual cash inflows over the remaining estimated
1255 useful life of all of the assets that make up the reserve pool
1256 are equal to or greater than the projected annual cash outflows
1257 over the remaining estimated useful lives of all the assets that
1258 make up the reserve pool based on the current reserve analysis.
1259 The projected annual cash inflows may include estimated earnings
1260 from investment of principal and accounts receivable minus the
1261 allowance for doubtful accounts. The reserve funding formula may
1262 not include any type of balloon payments.

1263 (g) As alternative to the pooled analysis method described
1264 in paragraph (f) and, if approved by a majority vote at a
1265 meeting of the members of the association at which a quorum is
1266 present, the funding formulas for reserves required ~~authorized~~
1267 by this section may ~~must~~ be based on a separate analysis of each
1268 of the required assets or a pooled analysis of two or more of
1269 the required assets.

1270 ~~1.~~ If the association maintains separate reserve accounts
1271 for each of the required assets, the amount of the contribution
1272 to each reserve account is the sum of the following two
1273 calculations:

1274 ~~1.a.~~ The total amount necessary, if any, to bring a
1275 negative component balance to zero.

1276 ~~2.b.~~ The total estimated deferred maintenance expense or
1277 estimated replacement cost of the reserve component less the
1278 estimated balance of the reserve component as of the beginning
1279 of the period the budget will be in effect. The remainder, if
1280 greater than zero, shall be divided by the estimated remaining
1281 useful life of the component.

1282
1283 The formula may be adjusted each year for changes in estimates
1284 and deferred maintenance performed during the year and may
1285 include factors such as inflation and earnings on invested
1286 funds. An association may convert its funding formulas from a
1287 component method to a pooled method, as described in paragraph
1288 (f), at any time if approved by a majority vote at a meeting at
1289 which a quorum is present.

1290 ~~2. If the association maintains a pooled account of two or~~
1291 ~~more of the required reserve assets, the amount of the~~
1292 ~~contribution to the pooled reserve account as disclosed on the~~
1293 ~~proposed budget may not be less than that required to ensure~~
1294 ~~that the balance on hand at the beginning of the period the~~
1295 ~~budget will go into effect plus the projected annual cash~~
1296 ~~inflows over the remaining estimated useful life of all of the~~
1297 ~~assets that make up the reserve pool are equal to or greater~~
1298 ~~than the projected annual cash outflows over the remaining~~
1299 ~~estimated useful lives of all the assets that make up the~~
1300 ~~reserve pool, based on the current reserve analysis. The~~

1301 ~~projected annual cash inflows may include estimated earnings~~
1302 ~~from investment of principal and accounts receivable minus the~~
1303 ~~allowance for doubtful accounts. The reserve funding formula may~~
1304 ~~not include any type of balloon payments.~~

1305 (h) 1. ~~Reserve funds and Any interest accruing thereon~~
1306 ~~shall remain in the reserve account or accounts and shall be~~
1307 ~~used only for authorized reserve expenditures unless their use~~
1308 ~~for other purposes is approved in advance by a majority vote at~~
1309 ~~a meeting at which a proposed annual budget of an association~~
1310 ~~will be considered by the board or a quorum is present. Prior to~~
1311 ~~turnover of control of an association by a developer to parcel~~
1312 ~~owners shall be open to all parcel owners, the developer-~~
1313 ~~controlled association shall not vote to use reserves for~~
1314 ~~purposes other than those for which they were intended without~~
1315 ~~the approval of a majority of all nondeveloper voting interests~~
1316 ~~voting in person or by limited proxy at a duly called meeting of~~
1317 ~~the association.~~

1318 2.a. If a board adopts in any fiscal year an annual budget
1319 which requires assessments against parcel owners which exceed
1320 115 percent of assessments for the preceding fiscal year, the
1321 board shall conduct a special meeting of the parcel owners to
1322 consider a substitute budget if the board receives, within 21
1323 days after adoption of the annual budget, a written request for
1324 a special meeting from at least 10 percent of all voting
1325 interests. The special meeting shall be conducted within 60 days

1326 after adoption of the annual budget. At least 14 days prior to
1327 such special meeting, the board shall hand deliver to each
1328 parcel owner, or mail to each parcel owner at the address last
1329 furnished to the association, a notice of the meeting. An
1330 officer or manager of the association, or other person providing
1331 notice of such meeting shall execute an affidavit evidencing
1332 compliance with this notice requirement, and such affidavit
1333 shall be filed among the official records of the association.
1334 Parcel owners may consider and adopt a substitute budget at the
1335 special meeting. A substitute budget is adopted if approved by a
1336 majority of all voting interests unless the bylaws require
1337 adoption by a greater percentage of voting interests. If there
1338 is not a quorum at the special meeting or a substitute budget is
1339 not adopted, the annual budget previously adopted by the board
1340 shall take effect as scheduled.

1341 b. Any determination of whether assessments exceed 115
1342 percent of assessments for the prior fiscal year shall exclude
1343 any authorized provision for reasonable reserves for repair or
1344 replacement of the association property, anticipated expenses of
1345 the association which the board does not expect to be incurred
1346 on a regular or annual basis, or assessments for betterments to
1347 the condominium property.

1348 c. If the developer controls the board, assessments shall
1349 not exceed 115 percent of assessments for the prior fiscal year
1350 unless approved by a majority of all voting interests.

1351 (i) The provisions of paragraphs (b)-(h) do not apply to
1352 mandatory reserve accounts required to be established and
1353 maintained by an association at the direction of a county or
1354 municipal government, water or drainage management district,
1355 community development district, or other political subdivision
1356 that has the authority to approve and control subdivision
1357 infrastructure which is entrusted to the care of an association
1358 on the condition that the association establish and maintain one
1359 or more mandatory reserve accounts for the deferred maintenance
1360 or replacement of the infrastructure in accordance with the
1361 requirements of that entrusting authority.

1362 (7) FINANCIAL REPORTING.—Within 90 days after the end of
1363 the fiscal year, or annually on the date provided in the bylaws,
1364 the association shall prepare and complete, or contract with a
1365 third party for the preparation and completion of, a financial
1366 report for the preceding fiscal year. Within 21 days after the
1367 final financial report is completed by the association or
1368 received from the third party, but not later than 120 days after
1369 the end of the fiscal year or other date as provided in the
1370 bylaws, the association shall, within the time limits set forth
1371 in subsection (5), provide each member with a copy of the annual
1372 financial report or a written notice that a copy of the
1373 financial report is available upon request at no charge to the
1374 member. Financial reports shall be prepared as follows:

1375 (a) An association that meets the criteria of this

1376 paragraph shall prepare or cause to be prepared a complete set
1377 of financial statements in accordance with generally accepted
1378 accounting principles as adopted by the Board of Accountancy.
1379 The financial statements shall be based upon the association's
1380 total annual revenues, as follows:

1381 1. An association with total annual revenues of \$150,000
1382 or more, but less than \$300,000, shall prepare compiled
1383 financial statements.

1384 2. An association with total annual revenues of at least
1385 \$300,000, but less than \$500,000, shall prepare reviewed
1386 financial statements.

1387 3. An association with total annual revenues of \$500,000
1388 or more shall prepare audited financial statements.

1389 (b)1. An association with total annual revenues of less
1390 than \$150,000 shall prepare a report of cash receipts and
1391 expenditures.

1392 ~~2. An association in a community of fewer than 50 parcels,~~
1393 ~~regardless of the association's annual revenues, may prepare a~~
1394 ~~report of cash receipts and expenditures in lieu of financial~~
1395 ~~statements required by paragraph (a) unless the governing~~
1396 ~~documents provide otherwise.~~

1397 2.3. A report of cash receipts and disbursement must
1398 disclose the amount of receipts by accounts and receipt
1399 classifications and the amount of expenses by accounts and
1400 expense classifications, including, but not limited to, the

1401 following, as applicable: costs for security, professional, and
 1402 management fees and expenses; taxes; costs for recreation
 1403 facilities; expenses for refuse collection and utility services;
 1404 expenses for lawn care; costs for building maintenance and
 1405 repair; insurance costs; administration and salary expenses; and
 1406 reserves if maintained by the association.

1407 (c) If 20 percent of the parcel owners petition the board
 1408 for a level of financial reporting higher than that required by
 1409 this section, the association shall duly notice and hold a
 1410 meeting of members within 30 days of receipt of the petition for
 1411 the purpose of voting on raising the level of reporting for that
 1412 fiscal year. Upon approval of a majority of the total voting
 1413 interests of the parcel owners, the association shall prepare or
 1414 cause to be prepared, shall amend the budget or adopt a special
 1415 assessment to pay for the financial report regardless of any
 1416 provision to the contrary in the governing documents, and shall
 1417 provide within 90 days of the meeting or the end of the fiscal
 1418 year, whichever occurs later:

1419 1. Compiled, reviewed, or audited financial statements, if
 1420 the association is otherwise required to prepare a report of
 1421 cash receipts and expenditures;

1422 2. Reviewed or audited financial statements, if the
 1423 association is otherwise required to prepare compiled financial
 1424 statements; or

1425 3. Audited financial statements if the association is

1426 otherwise required to prepare reviewed financial statements.

1427 (d) If approved by a majority of the voting interests
 1428 present at a properly called meeting of the association, an
 1429 association may prepare or cause to be prepared:

1430 1. A report of cash receipts and expenditures in lieu of a
 1431 compiled, reviewed, or audited financial statement;

1432 2. A report of cash receipts and expenditures or a
 1433 compiled financial statement in lieu of a reviewed or audited
 1434 financial statement; or

1435 3. A report of cash receipts and expenditures, a compiled
 1436 financial statement, or a reviewed financial statement in lieu
 1437 of an audited financial statement.

1438 Section 10. Paragraph (a) of subsection (9) of section
 1439 720.306, Florida Statutes, is amended to read:

1440 720.306 Meetings of members; voting and election
 1441 procedures; amendments.—

1442 (9) ELECTIONS AND BOARD VACANCIES.—

1443 (a) Elections of directors must be conducted in accordance
 1444 with the procedures set forth in the governing documents of the
 1445 association. Except as provided in paragraph (b), all members of
 1446 the association are eligible to serve on the board of directors,
 1447 and a member may nominate himself or herself as a candidate for
 1448 the board at a meeting where the election is to be held;
 1449 provided, however, that if the election process allows
 1450 candidates to be nominated in advance of the meeting, the

1451 association is not required to allow nominations at the meeting.
1452 An election is not required unless more candidates are nominated
1453 than vacancies exist. If an election is not required because
1454 there are either an equal number or fewer qualified candidates
1455 than vacancies exist, and if nominations from the floor are not
1456 required pursuant to this section or the bylaws, write-in
1457 nominations are not permitted and such candidates shall commence
1458 service on the board of directors, regardless of whether a
1459 quorum is attained at the annual meeting. Except as otherwise
1460 provided in the governing documents, boards of directors must be
1461 elected by a plurality of the votes cast by eligible voters. Any
1462 challenge to the election process must be commenced within 60
1463 days after the election results are announced.

1464 Section 11. Paragraph (b) of subsection (3) of section
1465 720.3085, Florida Statutes, is amended to read:

1466 720.3085 Payment for assessments; lien claims.—

1467 (3) Assessments and installments on assessments that are
1468 not paid when due bear interest from the due date until paid at
1469 the rate provided in the declaration of covenants or the bylaws
1470 of the association, which rate may not exceed the rate allowed
1471 by law. If no rate is provided in the declaration or bylaws,
1472 interest accrues at the rate of 18 percent per year.

1473 (b) Any payment received by an association and accepted
1474 shall be applied first to any interest accrued, then to any
1475 administrative late fee, then to any costs and reasonable

1476 attorney fees incurred in collection, and then to the delinquent
1477 assessment. This paragraph applies notwithstanding any
1478 restrictive endorsement, designation, or instruction placed on
1479 or accompanying a payment. A late fee is not subject to the
1480 provisions of chapter 687 and is not a fine. The foregoing is
1481 applicable notwithstanding s. 673.3111, any purported accord and
1482 satisfaction, or any restrictive endorsement, designation, or
1483 instruction placed on or accompanying a payment. The preceding
1484 sentence is intended to clarify existing law.

1485 Section 12. This act shall take effect July 1, 2017.