

1 A bill to be entitled

2 An act relating to community associations; creating s.
3 633.2225, F.S.; requiring certain condominium or
4 cooperative associations to post certain signs or
5 symbols on buildings; requiring the State Fire Marshal
6 to adopt rules governing such signs or symbols;
7 providing for enforcement; providing penalties;
8 amending s. 718.111, F.S.; revising reporting
9 requirements; amending s. 718.112, F.S.; authorizing
10 an association to adopt rules for posting certain
11 notices on a website; revising provisions relating to
12 required condominium and cooperative association
13 bylaws; revising provisions relating to evidence of
14 condominium and cooperative association compliance
15 with the fire and life safety code; revising unit and
16 common elements required to be retrofitted; revising
17 provisions relating to an association vote to forego
18 retrofitting; providing applicability; amending s.
19 718.113, F.S.; revising voting requirements relating
20 to alterations and additions to certain common
21 elements or association property; amending s. 718.117,
22 F.S.; revising legislative findings; revising voting
23 requirements for the rejection of a plan of
24 termination; increasing the amount of time to consider
25 a plan of termination under certain conditions;

26 | revising the requirements to qualify for payment as a
27 | homestead owner if the owner has rejected a plan of
28 | termination; revising and providing notice
29 | requirements; providing applicability; amending s.
30 | 718.707, F.S.; revising the time period for
31 | classification as bulk assignee or bulk buyer;
32 | amending s. 719.104, F.S.; revising recordkeeping and
33 | reporting requirements; amending s. 719.1055, F.S.;
34 | revising provisions relating to required condominium
35 | and cooperative association bylaws; revising
36 | provisions relating to evidence of condominium and
37 | cooperative association compliance with the fire and
38 | life safety code; revising unit and common elements
39 | required to be retrofitted; revising provisions
40 | relating to an association vote to forego
41 | retrofitting; providing applicability; amending s.
42 | 719.106, F.S.; revising requirements to serve as a
43 | board member; prohibiting a board member from voting
44 | via e-mail; requiring that directors who are
45 | delinquent in certain payments owed in excess of
46 | certain periods of time be deemed to have abandoned
47 | their offices; authorizing an association to adopt
48 | rules for posting certain notices on a website;
49 | amending s. 719.107, F.S.; specifying certain services
50 | which are obtained pursuant to a bulk contract to be

51 deemed a common expense; amending s. 720.303, F.S.;

52 prohibiting a board member from voting via e-mail;

53 revising certain notice requirements relating to board

54 meetings; revising financial reporting requirements;

55 authorizing an association to adopt rules for posting

56 certain notices on a website; amending s. 720.306,

57 F.S.; revising elections requirements; amending s.

58 720.3085, F.S.; providing applicability; providing an

59 effective date; providing an effective date.

60

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

62

63 Section 1. Section 633.2225, Florida Statutes, is created

64 to read:

65 633.2225 Condominium and cooperative buildings without

66 sprinkler systems; notice requirements; enforcement.-

67 (1) The board of a condominium or cooperative association

68 that operates a building of three stories or more that has not

69 installed a sprinkler system in the common areas of the building

70 shall mark the building with a sign or symbol approved by the

71 State Fire Marshal in a manner sufficient to warn persons

72 conducting fire control and other emergency operations of the

73 lack of a sprinkler system in the common areas.

74 (2) The State Fire Marshal shall:

75 (a) Ensure that the dimensions and placement of the sign

76 | or symbol do not diminish the aesthetic value of the building;
 77 | and

78 | (b) Adopt rules necessary to implement the provisions of
 79 | this section, including, but not limited to:

80 | 1. The dimensions and color of such sign or symbol.

81 | 2. The time within which the condominium or cooperative
 82 | buildings without sprinkler systems shall be marked as required
 83 | by this section.

84 | 3. The location on each condominium or cooperative
 85 | building without a sprinkler system where such sign or symbol
 86 | must be posted.

87 | (3) The State Fire Marshal, and local fire officials in
 88 | accordance with s. 633.118, shall enforce this section. An
 89 | association that fails to comply with the requirements of this
 90 | section is subject to penalties as provided in s. 633.228.

91 | Section 2. Subsections (12) and (13) of section 718.111,
 92 | Florida Statutes, are amended to read:

93 | 718.111 The association.—

94 | (12) OFFICIAL RECORDS.—

95 | (a) From the inception of the association, the association
 96 | shall maintain each of the following items, if applicable, which
 97 | constitutes the official records of the association:

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

100 | 2. A photocopy of the recorded declaration of condominium

101 of each condominium operated by the association and each
102 amendment to each declaration.

103 3. A photocopy of the recorded bylaws of the association
104 and each amendment to the bylaws.

105 4. A certified copy of the articles of incorporation of
106 the association, or other documents creating the association,
107 and each amendment thereto.

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

109 6. A book or books that contain the minutes of all
110 meetings of the association, the board of administration, and
111 the unit owners, which minutes must be retained for at least 7
112 years.

113 7. A current roster of all unit owners and their mailing
114 addresses, unit identifications, and voting certifications, and,
115 if known, telephone numbers. The association shall also maintain
116 the electronic mailing addresses and facsimile numbers of unit
117 owners consenting to receive notice by electronic transmission.
118 The electronic mailing addresses and facsimile numbers are not
119 accessible to unit owners if consent to receive notice by
120 electronic transmission is not provided in accordance with
121 subparagraph (c)5. However, the association is not liable for an
122 inadvertent disclosure of the electronic mail address or
123 facsimile number for receiving electronic transmission of
124 notices.

125 8. All current insurance policies of the association and

126 condominiums operated by the association.

127 9. A current copy of any management agreement, lease, or
128 other contract to which the association is a party or under
129 which the association or the unit owners have an obligation or
130 responsibility.

131 10. Bills of sale or transfer for all property owned by
132 the association.

133 11. Accounting records for the association and separate
134 accounting records for each condominium that the association
135 operates. All accounting records must be maintained for at least
136 7 years. Any person who knowingly or intentionally defaces or
137 destroys such records, or who knowingly or intentionally fails
138 to create or maintain such records, with the intent of causing
139 harm to the association or one or more of its members, is
140 personally subject to a civil penalty pursuant to s.

141 718.501(1)(d). The accounting records must include, but are not
142 limited to:

143 a. Accurate, itemized, and detailed records of all
144 receipts and expenditures.

145 b. A current account and a monthly, bimonthly, or
146 quarterly statement of the account for each unit designating the
147 name of the unit owner, the due date and amount of each
148 assessment, the amount paid on the account, and the balance due.

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

151 d. All contracts for work to be performed. Bids for work
152 to be performed are also considered official records and must be
153 maintained by the association.

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

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

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

163 15. All other written records of the association not
164 specifically included in the foregoing which are related to the
165 operation of the association.

166 16. A copy of the inspection report as described in s.
167 718.301(4)(p).

168 (b) The official records of the association must be
169 maintained within the state for at least 7 years. The records of
170 the association shall be made available to a unit owner within
171 45 miles of the condominium property or within the county in
172 which the condominium property is located within 10 ~~5~~ working
173 days after receipt of a written request by the board or its
174 designee. However, such distance requirement does not apply to
175 an association governing a timeshare condominium. This paragraph

176 | may be complied with by having a copy of the official records of
177 | the association available for inspection or copying on the
178 | condominium property or association property, or the association
179 | may offer the option of making the records available to a unit
180 | owner electronically via the Internet or by allowing the records
181 | to be viewed in electronic format on a computer screen and
182 | printed upon request. The association is not responsible for the
183 | use or misuse of the information provided to an association
184 | member or his or her authorized representative pursuant to the
185 | compliance requirements of this chapter unless the association
186 | has an affirmative duty not to disclose such information
187 | pursuant to this chapter.

188 | (c) The official records of the association are open to
189 | inspection by any association member or the authorized
190 | representative of such member at all reasonable times. The right
191 | to inspect the records includes the right to make or obtain
192 | copies, at the reasonable expense, if any, of the member. The
193 | association may adopt reasonable rules regarding the frequency,
194 | time, location, notice, and manner of record inspections and
195 | copying. The failure of an association to provide the records
196 | within 10 working days after receipt of a written request
197 | creates a rebuttable presumption that the association willfully
198 | failed to comply with this paragraph. A unit owner who is denied
199 | access to official records is entitled to the actual damages or
200 | minimum damages for the association's willful failure to comply.

201 Minimum damages are \$50 per calendar day for up to 10 days,
202 beginning on the 11th working day after receipt of the written
203 request. The failure to permit inspection entitles any person
204 prevailing in an enforcement action to recover reasonable
205 attorney fees from the person in control of the records who,
206 directly or indirectly, knowingly denied access to the records.
207 Any person who knowingly or intentionally defaces or destroys
208 accounting records that are required by this chapter to be
209 maintained during the period for which such records are required
210 to be maintained, or who knowingly or intentionally fails to
211 create or maintain accounting records that are required to be
212 created or maintained, with the intent of causing harm to the
213 association or one or more of its members, is personally subject
214 to a civil penalty pursuant to s. 718.501(1)(d). The association
215 shall maintain an adequate number of copies of the declaration,
216 articles of incorporation, bylaws, and rules, and all amendments
217 to each of the foregoing, as well as the question and answer
218 sheet as described in s. 718.504 and year-end financial
219 information required under this section, on the condominium
220 property to ensure their availability to unit owners and
221 prospective purchasers, and may charge its actual costs for
222 preparing and furnishing these documents to those requesting the
223 documents. An association shall allow a member or his or her
224 authorized representative to use a portable device, including a
225 smartphone, tablet, portable scanner, or any other technology

226 | capable of scanning or taking photographs, to make an electronic
227 | copy of the official records in lieu of the association's
228 | providing the member or his or her authorized representative
229 | with a copy of such records. The association may not charge a
230 | member or his or her authorized representative for the use of a
231 | portable device. Notwithstanding this paragraph, the following
232 | records are not accessible to unit owners:

233 | 1. Any record protected by the lawyer-client privilege as
234 | described in s. 90.502 and any record protected by the work-
235 | product privilege, including a record prepared by an association
236 | attorney or prepared at the attorney's express direction, which
237 | reflects a mental impression, conclusion, litigation strategy,
238 | or legal theory of the attorney or the association, and which
239 | was prepared exclusively for civil or criminal litigation or for
240 | adversarial administrative proceedings, or which was prepared in
241 | anticipation of such litigation or proceedings until the
242 | conclusion of the litigation or proceedings.

243 | 2. Information obtained by an association in connection
244 | with the approval of the lease, sale, or other transfer of a
245 | unit.

246 | 3. Personnel records of association or management company
247 | employees, including, but not limited to, disciplinary, payroll,
248 | health, and insurance records. For purposes of this
249 | subparagraph, the term "personnel records" does not include
250 | written employment agreements with an association employee or

251 management company, or budgetary or financial records that
252 indicate the compensation paid to an association employee.

253 4. Medical records of unit owners.

254 5. Social security numbers, driver license numbers, credit
255 card numbers, e-mail addresses, telephone numbers, facsimile
256 numbers, emergency contact information, addresses of a unit
257 owner other than as provided to fulfill the association's notice
258 requirements, and other personal identifying information of any
259 person, excluding the person's name, unit designation, mailing
260 address, property address, and any address, e-mail address, or
261 facsimile number provided to the association to fulfill the
262 association's notice requirements. Notwithstanding the
263 restrictions in this subparagraph, an association may print and
264 distribute to parcel owners a directory containing the name,
265 parcel address, and all telephone numbers of each parcel owner.
266 However, an owner may exclude his or her telephone numbers from
267 the directory by so requesting in writing to the association. An
268 owner may consent in writing to the disclosure of other contact
269 information described in this subparagraph. The association is
270 not liable for the inadvertent disclosure of information that is
271 protected under this subparagraph if the information is included
272 in an official record of the association and is voluntarily
273 provided by an owner and not requested by the association.

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

276 7. The software and operating system used by the
277 association which allow the manipulation of data, even if the
278 owner owns a copy of the same software used by the association.
279 The data is part of the official records of the association.

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

282 (e)1. The association or its authorized agent is not
283 required to provide a prospective purchaser or lienholder with
284 information about the condominium or the association other than
285 information or documents required by this chapter to be made
286 available or disclosed. The association or its authorized agent
287 may charge a reasonable fee to the prospective purchaser,
288 lienholder, or the current unit owner for providing good faith
289 responses to requests for information by or on behalf of a
290 prospective purchaser or lienholder, other than that required by
291 law, if the fee does not exceed \$150 plus the reasonable cost of
292 photocopying and any attorney's fees incurred by the association
293 in connection with the response.

294 2. An association and its authorized agent are not liable
295 for providing such information in good faith pursuant to a
296 written request if the person providing the information includes
297 a written statement in substantially the following form: "The
298 responses herein are made in good faith and to the best of my
299 ability as to their accuracy."

300 (f) An outgoing board or committee member must relinquish

301 all official records and property of the association in his or
302 her possession or under his or her control to the incoming board
303 within 5 days after the election. The division shall impose a
304 civil penalty as set forth in s. 718.501(1)(d)6. against an
305 outgoing board or committee member who willfully and knowingly
306 fails to relinquish such records and property.

307 (13) FINANCIAL REPORTING.—Within 90 days after the end of
308 the fiscal year, or annually on a date provided in the bylaws,
309 the association shall prepare and complete, or contract for the
310 preparation and completion of, a financial report for the
311 preceding fiscal year. Within 21 days after the final financial
312 report is completed by the association or received from the
313 third party, but not later than 120 days after the end of the
314 fiscal year or other date as provided in the bylaws, the
315 association shall mail to each unit owner at the address last
316 furnished to the association by the unit owner, or hand deliver
317 to each unit owner, a copy of the financial report or a notice
318 that a copy of the financial report will be mailed or hand
319 delivered to the unit owner, without charge, upon receipt of a
320 written request from the unit owner. The division shall adopt
321 rules setting forth uniform accounting principles and standards
322 to be used by all associations and addressing the financial
323 reporting requirements for multicondominium associations. The
324 rules must include, but not be limited to, standards for
325 presenting a summary of association reserves, including a good

326 faith estimate disclosing the annual amount of reserve funds
327 that would be necessary for the association to fully fund
328 reserves for each reserve item based on the straight-line
329 accounting method. This disclosure is not applicable to reserves
330 funded via the pooling method. In adopting such rules, the
331 division shall consider the number of members and annual
332 revenues of an association. Financial reports shall be prepared
333 as follows:

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

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

342 2. An association with total annual revenues of at least
343 \$300,000, but less than \$500,000, shall prepare reviewed
344 financial statements.

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

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

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

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

354 2.3. A report of cash receipts and disbursements must
355 disclose the amount of receipts by accounts and receipt
356 classifications and the amount of expenses by accounts and
357 expense classifications, including, but not limited to, the
358 following, as applicable: costs for security, professional and
359 management fees and expenses, taxes, costs for recreation
360 facilities, expenses for refuse collection and utility services,
361 expenses for lawn care, costs for building maintenance and
362 repair, insurance costs, administration and salary expenses, and
363 reserves accumulated and expended for capital expenditures,
364 deferred maintenance, and any other category for which the
365 association maintains reserves.

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

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

371 2. Reviewed or audited financial statements, if the
372 association is required to prepare compiled financial
373 statements; or

374 3. Audited financial statements if the association is
375 required to prepare reviewed financial statements.

376 (d) If approved by a majority of the voting interests
377 present at a properly called meeting of the association, an
378 association may prepare:

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

381 2. A report of cash receipts and expenditures or a
382 compiled financial statement in lieu of a reviewed or audited
383 financial statement; or

384 3. A report of cash receipts and expenditures, a compiled
385 financial statement, or a reviewed financial statement in lieu
386 of an audited financial statement.

387
388 Such meeting and approval must occur before the end of the
389 fiscal year and is effective only for the fiscal year in which
390 the vote is taken, except that the approval may also be
391 effective for the following fiscal year. If the developer has
392 not turned over control of the association, all unit owners,
393 including the developer, may vote on issues related to the
394 preparation of the association's financial reports, from the
395 date of incorporation of the association through the end of the
396 second fiscal year after the fiscal year in which the
397 certificate of a surveyor and mapper is recorded pursuant to s.
398 718.104(4)(e) or an instrument that transfers title to a unit in
399 the condominium which is not accompanied by a recorded
400 assignment of developer rights in favor of the grantee of such

401 unit is recorded, whichever occurs first. Thereafter, all unit
402 owners except the developer may vote on such issues until
403 control is turned over to the association by the developer. Any
404 audit or review prepared under this section shall be paid for by
405 the developer if done before turnover of control of the
406 association. ~~An association may not waive the financial~~
407 ~~reporting requirements of this section for more than 3~~
408 ~~consecutive years.~~

409 Section 3. Paragraphs (c) and (l) of subsection (2) of
410 section 718.112, Florida Statutes, are amended to read:

411 718.112 Bylaws.—

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

415 (c) Board of administration meetings.—Meetings of the
416 board of administration at which a quorum of the members is
417 present are open to all unit owners. Members of the board of
418 administration may use e-mail as a means of communication but
419 may not cast a vote on an association matter via e-mail. A unit
420 owner may tape record or videotape the meetings. The right to
421 attend such meetings includes the right to speak at such
422 meetings with reference to all designated agenda items. The
423 division shall adopt reasonable rules governing the tape
424 recording and videotaping of the meeting. The association may
425 adopt written reasonable rules governing the frequency,

426 duration, and manner of unit owner statements.

427 1. Adequate notice of all board meetings, which must
428 specifically identify all agenda items, must be posted
429 conspicuously on the condominium property at least 48 continuous
430 hours before the meeting except in an emergency. If 20 percent
431 of the voting interests petition the board to address an item of
432 business, the board, within 60 days after receipt of the
433 petition, shall place the item on the agenda at its next regular
434 board meeting or at a special meeting called for that purpose.
435 An item not included on the notice may be taken up on an
436 emergency basis by a vote of at least a majority plus one of the
437 board members. Such emergency action must be noticed and
438 ratified at the next regular board meeting. Notice of any
439 meeting in which a regular or special assessment against unit
440 owners is to be considered must specifically state that
441 assessments will be considered and provide the estimated amount
442 and a description of the purposes for such assessments. ~~However,~~
443 Written notice of a meeting at which a nonemergency special
444 assessment or an amendment to rules regarding unit use will be
445 considered must be mailed, delivered, or electronically
446 transmitted to the unit owners and posted conspicuously on the
447 condominium property at least 14 days before the meeting.
448 Evidence of compliance with this 14-day notice requirement must
449 be made by an affidavit executed by the person providing the
450 notice and filed with the official records of the association.

451 Upon notice to the unit owners, the board shall, by duly adopted
452 rule, designate a specific location on the condominium or
453 association property where all notices of board meetings must be
454 posted. If there is no condominium property or association
455 property where notices can be posted, notices shall be mailed,
456 delivered, or electronically transmitted to each unit owner at
457 least 14 days before the meeting. In lieu of or in addition to
458 the physical posting of the notice on the condominium property,
459 the association may, by reasonable rule, adopt a procedure for
460 conspicuously posting and repeatedly broadcasting the notice and
461 the agenda on a closed-circuit cable television system serving
462 the condominium association. However, if broadcast notice is
463 used in lieu of a notice physically posted on condominium
464 property, the notice and agenda must be broadcast at least four
465 times every broadcast hour of each day that a posted notice is
466 otherwise required under this section. If broadcast notice is
467 provided, the notice and agenda must be broadcast in a manner
468 and for a sufficient continuous length of time so as to allow an
469 average reader to observe the notice and read and comprehend the
470 entire content of the notice and the agenda. In addition to any
471 of the authorized means of providing notice of a meeting of the
472 board, the association may, by rule, adopt a procedure for
473 conspicuously posting the meeting notice and the agenda on a
474 website serving the condominium association for at least the
475 minimum period of time for which a notice of a meeting is also

476 required to be physically posted on the condominium property.
477 Any rule adopted shall, in addition to other matters, include a
478 requirement that the association send an electronic notice in
479 the same manner as required for a notice for a meeting of the
480 members, which must include a hypertext link to the website
481 where the notice is posted, to unit owners whose e-mail
482 addresses are included in the association's official records.
483 ~~Notice of any meeting in which regular or special assessments~~
484 ~~against unit owners are to be considered must specifically state~~
485 ~~that assessments will be considered and provide the nature,~~
486 ~~estimated cost, and description of the purposes for such~~
487 ~~assessments.~~

488 2. Meetings of a committee to take final action on behalf
489 of the board or make recommendations to the board regarding the
490 association budget are subject to this paragraph. Meetings of a
491 committee that does not take final action on behalf of the board
492 or make recommendations to the board regarding the association
493 budget are subject to this section, unless those meetings are
494 exempted from this section by the bylaws of the association.

495 3. Notwithstanding any other law, the requirement that
496 board meetings and committee meetings be open to the unit owners
497 does not apply to:

498 a. Meetings between the board or a committee and the
499 association's attorney, with respect to proposed or pending
500 litigation, if the meeting is held for the purpose of seeking or

501 rendering legal advice; or

502 b. Board meetings held for the purpose of discussing
503 personnel matters.

504 (1) Certificate of compliance.—A provision that a
505 certificate of compliance from a licensed electrical contractor,
506 ~~or electrician,~~ or professional engineer may be accepted by the
507 association's board as evidence of compliance ~~of the condominium~~
508 ~~units~~ with the applicable fire and life safety code must be
509 included. Notwithstanding chapter 633 or ~~of~~ any other code,
510 statute, ordinance, administrative rule, or regulation, or any
511 interpretation of the foregoing, an association, ~~residential~~
512 ~~condominium,~~ or unit owner is not obligated to retrofit the
513 common elements, association property, or units of a residential
514 condominium with a fire sprinkler system or other engineered
515 lifesafety system in a building that is 75 feet or less in
516 height. There is no obligation to retrofit for a building
517 greater than 75 feet in height, calculated from the lowest level
518 of fire department vehicle access to the floor of the highest
519 occupiable story ~~has been certified for occupancy by the~~
520 ~~applicable governmental entity~~ if the unit owners have voted to
521 forego such retrofitting by the affirmative vote of two-thirds a
522 ~~majority~~ of all voting interests in the affected condominium.
523 There is no requirement that owners in condominiums of 75 feet
524 or less conduct an opt-out vote and such condominiums are exempt
525 from fire sprinkler or other engineered lifesafety retrofitting.

526 The preceding sentence is intended to clarify existing law. The
527 local authority having jurisdiction may not require completion
528 of retrofitting with a fire sprinkler system or other engineered
529 lifesafety system before January 1, 2022 ~~2020~~. By December 31,
530 2018 ~~2016~~, an a residential condominium association that
531 operates a residential condominium that is not in compliance
532 with the requirements for a fire sprinkler system or other
533 engineered lifesafety system and has not voted to forego
534 retrofitting of such a system must initiate an application for a
535 building permit for the required installation with the local
536 government having jurisdiction demonstrating that the
537 association will become compliant by December 31, 2021 ~~2019~~.

538 1. A vote to forego required retrofitting may be obtained
539 by limited proxy or by a ballot personally cast at a duly called
540 membership meeting, or by execution of a written consent by the
541 member, or by electronic voting, and is effective upon recording
542 a certificate executed by an officer or agent of the association
543 attesting to such vote in the public records of the county where
544 the condominium is located. When an opt-out vote is to be
545 conducted at a meeting, the association shall mail or ~~hand~~
546 deliver to each unit owner written notice at least 14 days
547 before the membership meeting in which the vote to forego
548 retrofitting of the required fire sprinkler system or other
549 engineered lifesafety system is to take place. Within 30 days
550 after the association's opt-out vote, notice of the results of

551 the opt-out vote must be mailed or ~~hand~~ delivered to all unit
552 owners. Evidence of compliance with this notice requirement must
553 be made by affidavit executed by the person providing the notice
554 and filed among the official records of the association. Failure
555 to provide timely notice to unit owners does not invalidate an
556 otherwise valid opt-out vote if notice of the results is
557 provided to the owners. After notice is provided to each owner,
558 a copy must be provided by the current owner to a new owner
559 before closing and by a unit owner to a renter before signing a
560 lease.

561 2. If there has been a previous vote to forego
562 retrofitting, a vote to require retrofitting may be obtained at
563 a special meeting of the unit owners called by a petition of at
564 least 10 percent of the voting interests or by a majority of the
565 board of directors. The approval of two-thirds of all voting
566 interests in the affected condominium is required to require
567 retrofitting. ~~Such a vote may only be called once every 3 years.~~
568 Notice shall be provided as required for any regularly called
569 meeting of the unit owners, and must state the purpose of the
570 meeting. ~~Electronic transmission may not be used to provide~~
571 ~~notice of a meeting called in whole or in part for this purpose.~~

572 3. As part of the information collected annually from
573 condominiums, the division shall require condominium
574 associations to report the membership vote and recording of a
575 certificate under this subsection and, if retrofitting has been

576 undertaken, the per-unit cost of such work. The division shall
577 annually report to the Division of State Fire Marshal of the
578 Department of Financial Services the number of condominiums that
579 have elected to forego retrofitting. Compliance with this
580 administrative reporting requirement does not affect the
581 validity of an opt-out vote.

582 4. Notwithstanding s. 553.509, a residential association
583 may not be obligated to, and may forego the retrofitting of, any
584 improvements required by s. 553.509(2) upon an affirmative vote
585 of a majority of the voting interests in the affected
586 condominium.

587 5. The provisions of this paragraph do not apply to
588 timeshare condominium associations, which shall be governed by
589 s. 721.24.

590 Section 4. Subsection (2) of section 718.113, Florida
591 Statutes, is amended to read:

592 718.113 Maintenance; limitation upon improvement; display
593 of flag; hurricane shutters and protection; display of religious
594 decorations.—

595 (2) (a) Except as otherwise provided in this section, there
596 shall be no material alteration or substantial additions to the
597 common elements or to real property which is association
598 property, except in a manner provided in the declaration as
599 originally recorded or as amended under the procedures provided
600 therein. If the declaration as originally recorded or as amended

601 under the procedures provided therein does not specify the
602 procedure for approval of material alterations or substantial
603 additions, 75 percent of the total voting interests of the
604 association must approve the alterations or additions before the
605 material alterations or substantial additions are commenced.

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

609 (b) There shall not be any material alteration of, or
610 substantial addition to, the common elements of any condominium
611 operated by a multicondominium association unless approved in
612 the manner provided in the declaration of the affected
613 condominium or condominiums as originally recorded or as amended
614 under the procedures provided therein. If a declaration as
615 originally recorded or as amended under the procedures provided
616 therein does not specify a procedure for approving such an
617 alteration or addition, the approval of 75 percent of the total
618 voting interests of each affected condominium is required before
619 the material alterations or substantial additions are commenced.

620 This subsection does not prohibit a provision in any
621 declaration, articles of incorporation, or bylaws as originally
622 recorded or as amended under the procedures provided therein
623 requiring the approval of unit owners in any condominium
624 operated by the same association or requiring board approval
625 before a material alteration or substantial addition to the

626 common elements is permitted. This paragraph is intended to
627 clarify existing law and applies to associations existing on the
628 effective date of this act.

629 (c) There shall not be any material alteration or
630 substantial addition made to association real property operated
631 by a multicondominium association, except as provided in the
632 declaration, articles of incorporation, or bylaws as originally
633 recorded or as amended under the procedures provided therein. If
634 the declaration, articles of incorporation, or bylaws as
635 originally recorded or as amended under the procedures provided
636 therein do not specify the procedure for approving an alteration
637 or addition to association real property, the approval of 75
638 percent of the total voting interests of the association is
639 required before the material alterations or substantial
640 additions are commenced. This paragraph is intended to clarify
641 existing law and applies to associations existing on the
642 effective date of this act.

643 Section 5. Subsections (1) and (3) of section 718.117,
644 Florida Statutes, are amended, and subsection (21) is added to
645 that section, to read:

646 718.117 Termination of condominium.—

647 (1) LEGISLATIVE FINDINGS.—The Legislature finds that:

648 (a) Condominiums are created as authorized by statute and
649 are subject to covenants that encumber the land and restrict the
650 use of real property.

651 (b) In some circumstances, the continued enforcement of
652 those covenants ~~that~~ may create economic waste, areas of
653 disrepair that threaten the safety and welfare of the public, or
654 cause obsolescence of the a condominium property for its
655 intended use and thereby lower property tax values, and ~~the~~
656 ~~Legislature further finds that~~ it is the public policy of this
657 state to provide by statute a method to preserve the value of
658 the property interests and the rights of alienation thereof that
659 owners have in the condominium property before and after
660 termination.

661 (c) The Legislature further finds that It is contrary to
662 the public policy of this state to require the continued
663 operation of a condominium when to do so constitutes economic
664 waste or when the ability to do so is made impossible by law or
665 regulation.

666 (d) It is in the best interest of the state to provide for
667 termination of the covenants of a declaration of condominium in
668 certain circumstances, in order to:

669 1. Ensure the continued maintenance, management, and
670 repair of stormwater management systems, conservation areas, and
671 conservation easements.

672 2. Avoid transferring the expense of maintaining
673 infrastructure serving the condominium property, including, but
674 not limited to, stormwater systems and conservation areas, to
675 the general tax bases of the state and local governments.

676 3. Prevent covenants from impairing the continued
 677 productive use of the property.

678 4. Protect state residents from health and safety hazards
 679 created by derelict, damaged, obsolete, or abandoned condominium
 680 properties.

681 5. Provide for fair treatment and just compensation for
 682 individuals, preserve property values, and preserve the local
 683 property tax base.

684 6. Preserve the state's long history of protecting
 685 homestead property and homestead property rights by ensuring
 686 that such protection is extended to homestead property owners in
 687 the context of a termination of the covenants of a declaration
 688 of condominium. This section applies to all condominiums in this
 689 state in existence on or after July 1, 2007.

690 (3) OPTIONAL TERMINATION. ~~Except as provided in subsection~~
 691 ~~(2) or unless the declaration provides for a lower percentage,~~
 692 The condominium form of ownership may be terminated for all or a
 693 portion of the condominium property pursuant to a plan of
 694 termination meeting the requirements of this section and
 695 approved by the division. Before a residential association
 696 submits a plan to the division, the plan must be approved by at
 697 least 80 percent of the total voting interests of the
 698 condominium. However, if 5 ~~10~~ percent or more of the total
 699 voting interests of the condominium have rejected the plan of
 700 termination by negative vote or by providing written objections,

701 the plan of termination may not proceed.

702 (a) The termination of the condominium form of ownership
703 is subject to the following conditions:

704 1. The total voting interests of the condominium must
705 include all voting interests for the purpose of considering a
706 plan of termination. A voting interest of the condominium may
707 not be suspended for any reason when voting on termination
708 pursuant to this subsection.

709 2. If 5 ~~10~~ percent or more of the total voting interests
710 of the condominium reject a plan of termination, a subsequent
711 plan of termination pursuant to this subsection may not be
712 considered for 24 ~~18~~ months after the date of the rejection.

713 (b) This subsection does not apply to any condominium
714 created pursuant to part VI of this chapter until 10 ~~5~~ years
715 after the recording of the declaration of condominium, unless
716 there is no objection to the plan of termination.

717 (c) For purposes of this subsection, the term "bulk owner"
718 means the single holder of such voting interests or an owner
719 together with a related entity or entities that would be
720 considered an insider, as defined in s. 726.102, holding such
721 voting interests. If the condominium association is a
722 residential association proposed for termination pursuant to
723 this section and, at the time of recording the plan of
724 termination, at least 80 percent of the total voting interests
725 are owned by a bulk owner, the plan of termination is subject to

726 the following conditions and limitations:

727 1. If the former condominium units are offered for lease
728 to the public after the termination, each unit owner in
729 occupancy immediately before the date of recording of the plan
730 of termination may lease his or her former unit and remain in
731 possession of the unit for 12 months after the effective date of
732 the termination on the same terms as similar unit types within
733 the property are being offered to the public. In order to obtain
734 a lease and exercise the right to retain exclusive possession of
735 the unit owner's former unit, the unit owner must make a written
736 request to the termination trustee to rent the former unit
737 within 90 days after the date the plan of termination is
738 recorded. Any unit owner who fails to timely make such written
739 request and sign a lease within 15 days after being presented
740 with a lease is deemed to have waived his or her right to retain
741 possession of his or her former unit and shall be required to
742 vacate the former unit upon the effective date of the
743 termination, unless otherwise provided in the plan of
744 termination.

745 2. Any former unit owner whose unit was granted homestead
746 exemption status by the applicable county property appraiser as
747 of the date of the recording of the plan of termination shall be
748 paid a relocation payment in an amount equal to 1 percent of the
749 termination proceeds allocated to the owner's former unit. Any
750 relocation payment payable under this subparagraph shall be paid

751 by the single entity or related entities owning at least 80
752 percent of the total voting interests. Such relocation payment
753 shall be in addition to the termination proceeds for such
754 owner's former unit and shall be paid no later than 10 days
755 after the former unit owner vacates his or her former unit.

756 3. For their respective units, all unit owners other than
757 the bulk owner must be compensated at least 100 percent of the
758 fair market value of their units. The fair market value shall be
759 determined as of a date that is no earlier than 90 days before
760 the date that the plan of termination is recorded and shall be
761 determined by an independent appraiser selected by the
762 termination trustee. For a person ~~an original purchaser from the~~
763 ~~developer who rejects the plan of termination and~~ whose unit was
764 granted homestead exemption status by the applicable county
765 property appraiser, or was an owner-occupied operating business,
766 as of the date that the plan of termination is recorded and who
767 is current in payment of both assessments and other monetary
768 obligations to the association ~~and any mortgage encumbering the~~
769 ~~unit~~ as of the date the plan of termination is recorded, the
770 fair market value for the unit owner rejecting the plan shall be
771 at least the original purchase price paid for the unit. For
772 purposes of this subparagraph, the term "fair market value"
773 means the price of a unit that a seller is willing to accept and
774 a buyer is willing to pay on the open market in an arms-length
775 transaction based on similar units sold in other condominiums,

776 including units sold in bulk purchases but excluding units sold
777 at wholesale or distressed prices. The purchase price of units
778 acquired in bulk following a bankruptcy or foreclosure shall not
779 be considered for purposes of determining fair market value.

780 4. The plan of termination must provide for payment of a
781 first mortgage encumbering a unit to the extent necessary to
782 satisfy the lien, but the payment may not exceed the unit's
783 share of the proceeds of termination under the plan. If the unit
784 owner is current in payment of both assessments and other
785 monetary obligations to the association and any mortgage
786 encumbering the unit as of the date the plan of termination is
787 recorded, the receipt by the holder of the unit's share of the
788 proceeds of termination under the plan or the outstanding
789 balance of the mortgage, whichever is less, shall be deemed to
790 have satisfied the first mortgage in full.

791 5. Before a plan of termination is presented to the unit
792 owners for consideration pursuant to this paragraph, the plan
793 must include the following written disclosures in a sworn
794 statement:

795 a. The identity of any person or entity that owns or
796 controls 25 ~~50~~ percent or more of the units in the condominium
797 and, if the units are owned by an artificial entity or entities,
798 a disclosure of the natural person or persons who, directly or
799 indirectly, manage or control the entity or entities and the
800 natural person or persons who, directly or indirectly, own or

801 control 10 ~~20~~ percent or more of the artificial entity or
802 entities that constitute the bulk owner.

803 b. The units acquired by any bulk owner, the date each
804 unit was acquired, and the total amount of compensation paid to
805 each prior unit owner by the bulk owner, regardless of whether
806 attributed to the purchase price of the unit.

807 c. The relationship of any board member to the bulk owner
808 or any person or entity affiliated with the bulk owner subject
809 to disclosure pursuant to this subparagraph.

810 d. The factual circumstances that show that the plan
811 complies with the requirements of this section and that the plan
812 supports the expressed public policies of this section.

813 (d) If the members of the board of administration are
814 elected by the bulk owner, unit owners other than the bulk owner
815 may elect at least one-third of the members of the board of
816 administration before the approval of any plan of termination.

817 (e) The provisions of subsection (2) do not apply to
818 optional termination pursuant to this subsection.

819 (21) APPLICABILITY.—This section applies to all
820 condominiums in this state in existence on or after July 1,
821 2007.

822 Section 6. The amendments made by Section 5 of this act
823 are intended to clarify existing law, are remedial in nature and
824 intended to address the rights and liabilities of the affected
825 parties, and apply to all condominiums created under the

826 Condominium Act.

827 Section 7. Section 718.707, Florida Statutes, is amended
828 to read:

829 718.707 Time limitation for classification as bulk
830 assignee or bulk buyer.—A person acquiring condominium parcels
831 may not be classified as a bulk assignee or bulk buyer unless
832 the condominium parcels were acquired on or after July 1, 2010,
833 ~~but before July 1, 2018~~. The date of such acquisition shall be
834 determined by the date of recording a deed or other instrument
835 of conveyance for such parcels in the public records of the
836 county in which the condominium is located, or by the date of
837 issuing a certificate of title in a foreclosure proceeding with
838 respect to such condominium parcels.

839 Section 8. Paragraphs (a) and (b) of subsection (2) and
840 paragraphs (b) and (c) of subsection (4) of section 719.104,
841 Florida Statutes, are amended to read:

842 719.104 Cooperatives; access to units; records; financial
843 reports; assessments; purchase of leases.—

844 (2) OFFICIAL RECORDS.—

845 (a) From the inception of the association, the association
846 shall maintain a copy of each of the following, where
847 applicable, which shall constitute the official records of the
848 association:

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

- 851 2. A photocopy of the cooperative documents.
- 852 3. A copy of the current rules of the association.
- 853 4. A book or books containing the minutes of all meetings
854 of the association, of the board of directors, and of the unit
855 owners, which minutes shall be retained for a period of not less
856 than 7 years.
- 857 5. A current roster of all unit owners and their mailing
858 addresses, unit identifications, voting certifications, and, if
859 known, telephone numbers. The association shall also maintain
860 the electronic mailing addresses and the numbers designated by
861 unit owners for receiving notice sent by electronic transmission
862 of those unit owners consenting to receive notice by electronic
863 transmission. The electronic mailing addresses and numbers
864 provided by unit owners to receive notice by electronic
865 transmission shall be removed from association records when
866 consent to receive notice by electronic transmission is revoked.
867 However, the association is not liable for an erroneous
868 disclosure of the electronic mail address or the number for
869 receiving electronic transmission of notices.
- 870 6. All current insurance policies of the association.
- 871 7. A current copy of any management agreement, lease, or
872 other contract to which the association is a party or under
873 which the association or the unit owners have an obligation or
874 responsibility.
- 875 8. Bills of sale or transfer for all property owned by the

876 association.

877 9. Accounting records for the association and separate
 878 accounting records for each unit it operates, according to good
 879 accounting practices. All accounting records shall be maintained
 880 for a period of not less than 7 years. The accounting records
 881 shall include, but not be limited to:

882 a. Accurate, itemized, and detailed records of all
 883 receipts and expenditures.

884 b. A current account and a monthly, bimonthly, or
 885 quarterly statement of the account for each unit designating the
 886 name of the unit owner, the due date and amount of each
 887 assessment, the amount paid upon the account, and the balance
 888 due.

889 c. All audits, reviews, accounting statements, and
 890 financial reports of the association.

891 d. All contracts for work to be performed. Bids for work
 892 to be performed shall also be considered official records and
 893 shall be maintained for a period of 1 year.

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

898 11. All rental records where the association is acting as
 899 agent for the rental of units.

900 12. A copy of the current question and answer sheet as

901 described in s. 719.504.

902 13. All other written records of the association not
903 specifically included in the foregoing which are related to the
904 operation of the association.

905 (b) The official records of the association must be
906 maintained within the state for at least 7 years. The records of
907 the association shall be made available to a unit owner within
908 45 miles of the cooperative property or within the county in
909 which the cooperative property is located within 10 ~~5~~ working
910 days after receipt of written request by the board or its
911 designee. This paragraph may be complied with by having a copy
912 of the official records of the association available for
913 inspection or copying on the cooperative property or the
914 association may offer the option of making the records available
915 to a unit owner electronically via the Internet or by allowing
916 the records to be viewed in an electronic format on a computer
917 screen and printed upon request. The association is not
918 responsible for the use or misuse of the information provided to
919 an association member or his or her authorized representative
920 pursuant to the compliance requirements of this chapter unless
921 the association has an affirmative duty not to disclose such
922 information pursuant to this chapter.

923 (4) FINANCIAL REPORT.—

924 (b) Except as provided in paragraph (c), an association
925 whose total annual revenues meet the criteria of this paragraph

926 shall prepare or cause to be prepared a complete set of
 927 financial statements according to the generally accepted
 928 accounting principles adopted by the Board of Accountancy. The
 929 financial statements shall be as follows:

930 1. An association with total annual revenues between
 931 \$150,000 and \$299,999 shall prepare a compiled financial
 932 statement.

933 2. An association with total annual revenues between
 934 \$300,000 and \$499,999 shall prepare a reviewed financial
 935 statement.

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

938 4. The requirement to have the financial statement
 939 compiled, reviewed, or audited does not apply to an association
 940 if a majority of the voting interests of the association present
 941 at a duly called meeting of the association have voted to waive
 942 this requirement for the fiscal year. In an association in which
 943 turnover of control by the developer has not occurred, the
 944 developer may vote to waive the audit requirement for the first
 945 2 years of operation of the association, after which time waiver
 946 of an applicable audit requirement shall be by a majority of
 947 voting interests other than the developer. The meeting shall be
 948 held prior to the end of the fiscal year, and the waiver shall
 949 be effective for only one fiscal year. ~~An association may not~~
 950 ~~waive the financial reporting requirements of this section for~~

951 ~~more than 3 consecutive years.~~

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

955 ~~2. An association in a community of fewer than 50 units,~~
956 ~~regardless of the association's annual revenues, shall prepare a~~
957 ~~report of cash receipts and expenditures in lieu of the~~
958 ~~financial statements required by paragraph (b), unless the~~
959 ~~declaration or other recorded governing documents provide~~
960 ~~otherwise.~~

961 2.3. A report of cash receipts and expenditures must
962 disclose the amount of receipts by accounts and receipt
963 classifications and the amount of expenses by accounts and
964 expense classifications, including the following, as applicable:
965 costs for security, professional, and management fees and
966 expenses; taxes; costs for recreation facilities; expenses for
967 refuse collection and utility services; expenses for lawn care;
968 costs for building maintenance and repair; insurance costs;
969 administration and salary expenses; and reserves, if maintained
970 by the association.

971 Section 9. Subsection (5) of section 719.1055, Florida
972 Statutes, is amended to read:

973 719.1055 Amendment of cooperative documents; alteration
974 and acquisition of property.—

975 (5) The bylaws must include a provision whereby a

976 certificate of compliance from a licensed electrical contractor,
977 ~~or~~ electrician, or professional engineer may be accepted by the
978 association's board as evidence of compliance ~~of the cooperative~~
979 ~~units~~ with the applicable fire and life safety code.

980 (a)1. Notwithstanding chapter 633 or any other code,
981 statute, ordinance, administrative rule, or regulation, or any
982 interpretation of the foregoing, an association ~~a cooperative~~ or
983 unit owner is not obligated to retrofit the common elements or
984 units of a residential cooperative with a fire sprinkler system
985 or other engineered lifesafety system in a building that is 75
986 feet or less in height. There is no obligation to retrofit for a
987 building greater than 75 feet in height, calculated from the
988 lowest level of fire department vehicle access to the floor of
989 the highest occupiable story ~~has been certified for occupancy by~~
990 ~~the applicable governmental entity~~ if the unit owners have voted
991 to forego such retrofitting by the affirmative vote of two-
992 thirds ~~a majority~~ of all voting interests in the affected
993 cooperative. There is no requirement that owners in cooperatives
994 of 75 feet or less conduct an opt-out vote and such cooperatives
995 are exempt from fire sprinkler or other engineered life safety
996 retrofitting. The preceding sentence is intended to clarify
997 existing law. The local authority having jurisdiction may not
998 require completion of retrofitting with a fire sprinkler system
999 or other engineered life safety system before January 1, 2022
1000 ~~the end of 2019~~. By December 31, 2018 ~~2016~~, a cooperative that

1001 is not in compliance with the requirements for a fire sprinkler
1002 system or other engineered lifesafety system and has not voted
1003 to forego retrofitting of such a system must initiate an
1004 application for a building permit for the required installation
1005 with the local government having jurisdiction demonstrating that
1006 the cooperative will become compliant by December 31, 2021 ~~2019~~.

1007 2. A vote to forego required retrofitting may be obtained
1008 by limited proxy or by a ballot personally cast at a duly called
1009 membership meeting, or by execution of a written consent by the
1010 member, or by electronic voting, and is effective upon recording
1011 a certificate executed by an officer or agent of the association
1012 attesting to such vote in the public records of the county where
1013 the cooperative is located. When the opt-out vote is to be
1014 conducted at a meeting, the cooperative shall mail or ~~hand~~
1015 deliver to each unit owner written notice at least 14 days
1016 before the membership meeting in which the vote to forego
1017 retrofitting of the required fire sprinkler system or other
1018 engineered lifesafety system is to take place. Within 30 days
1019 after the cooperative's opt-out vote, notice of the results of
1020 the opt-out vote must be mailed or ~~hand~~ delivered to all unit
1021 owners. Evidence of compliance with this notice requirement must
1022 be made by affidavit executed by the person providing the notice
1023 and filed among the official records of the cooperative. Failure
1024 to provide timely notice to unit owners does not invalidate an
1025 otherwise valid opt-out vote if notice of the results is

1026 provided to the owners. After notice is provided to each owner,
1027 a copy must be provided by the current owner to a new owner
1028 before closing and by a unit owner to a renter before signing a
1029 lease.

1030 (b) If there has been a previous vote to forego
1031 retrofitting, a vote to require retrofitting may be obtained at
1032 a special meeting of the unit owners called by a petition of
1033 least 10 percent of the voting interests or by a majority of the
1034 board of directors. The approval of two-thirds of all voting
1035 interests in the affected condominium is required to require
1036 retrofitting. ~~Such vote may only be called once every 3 years.~~
1037 Notice must be provided as required for any regularly called
1038 meeting of the unit owners, and the notice must state the
1039 purpose of the meeting. ~~Electronic transmission may not be used~~
1040 ~~to provide notice of a meeting called in whole or in part for~~
1041 ~~this purpose.~~

1042 (c) As part of the information collected annually from
1043 cooperatives, the division shall require associations to report
1044 the membership vote and recording of a certificate under this
1045 subsection and, if retrofitting has been undertaken, the per-
1046 unit cost of such work. The division shall annually report to
1047 the Division of State Fire Marshal of the Department of
1048 Financial Services the number of cooperatives that have elected
1049 to forego retrofitting. Compliance with this administrative
1050 reporting requirement does not affect the validity of an opt-out

1051 vote.

1052 Section 10. Paragraphs (a) and (c) of subsection (1) of
1053 section 719.106, Florida Statutes, are amended, and paragraph
1054 (m) is added to that subsection, to read:

1055 719.106 Bylaws; cooperative ownership.—

1056 (1) MANDATORY PROVISIONS.—The bylaws or other cooperative
1057 documents shall provide for the following, and if they do not,
1058 they shall be deemed to include the following:

1059 (a) Administration.—

1060 1. The form of administration of the association shall be
1061 described, indicating the titles of the officers and board of
1062 administration and specifying the powers, duties, manner of
1063 selection and removal, and compensation, if any, of officers and
1064 board members. In the absence of such a provision, the board of
1065 administration shall be composed of five members, except in the
1066 case of cooperatives having five or fewer units, in which case
1067 in not-for-profit corporations, the board shall consist of not
1068 fewer than three members. In a residential cooperative
1069 association of more than 10 units, co-owners of a unit may not
1070 serve as members of the board of directors at the same time
1071 unless the co-owners own more than one unit or unless there are
1072 not enough eligible candidates to fill the vacancies on the
1073 board at the time of the vacancy. In the absence of provisions
1074 to the contrary, the board of administration shall have a
1075 president, a secretary, and a treasurer, who shall perform the

1076 | duties of those offices customarily performed by officers of
1077 | corporations. Unless prohibited in the bylaws, the board of
1078 | administration may appoint other officers and grant them those
1079 | duties it deems appropriate. Unless otherwise provided in the
1080 | bylaws, the officers shall serve without compensation and at the
1081 | pleasure of the board. Unless otherwise provided in the bylaws,
1082 | the members of the board shall serve without compensation.

1083 | 2. A person who has been suspended or removed by the
1084 | division under this chapter, or who is delinquent in the payment
1085 | of any monetary obligation due to the association, is not
1086 | eligible to be a candidate for board membership and may not be
1087 | listed on the ballot. A director or officer charged by
1088 | information or indictment with a felony theft or embezzlement
1089 | offense involving the association's funds or property is
1090 | suspended from office. The board shall fill the vacancy
1091 | according to general law until the end of the period of the
1092 | suspension or the end of the director's term of office,
1093 | whichever occurs first. However, if the charges are resolved
1094 | without a finding of guilt or without acceptance of a plea of
1095 | guilty or nolo contendere, the director or officer shall be
1096 | reinstated for any remainder of his or her term of office. A
1097 | member who has such criminal charges pending may not be
1098 | appointed or elected to a position as a director or officer. A
1099 | person who has been convicted of any felony in this state or in
1100 | any United States District Court, or who has been convicted of

1101 any offense in another jurisdiction which would be considered a
1102 felony if committed in this state, is not eligible for board
1103 membership unless such felon's civil rights have been restored
1104 for at least 5 years as of the date such person seeks election
1105 to the board. The validity of an action by the board is not
1106 affected if it is later determined that a board member is
1107 ineligible for board membership due to having been convicted of
1108 a felony.

1109 3. When a unit owner files a written inquiry by certified
1110 mail with the board of administration, the board shall respond
1111 in writing to the unit owner within 30 days of receipt of the
1112 inquiry. The board's response shall either give a substantive
1113 response to the inquirer, notify the inquirer that a legal
1114 opinion has been requested, or notify the inquirer that advice
1115 has been requested from the division. If the board requests
1116 advice from the division, the board shall, within 10 days of its
1117 receipt of the advice, provide in writing a substantive response
1118 to the inquirer. If a legal opinion is requested, the board
1119 shall, within 60 days after the receipt of the inquiry, provide
1120 in writing a substantive response to the inquirer. The failure
1121 to provide a substantive response to the inquirer as provided
1122 herein precludes the board from recovering attorney's fees and
1123 costs in any subsequent litigation, administrative proceeding,
1124 or arbitration arising out of the inquiry. The association may,
1125 through its board of administration, adopt reasonable rules and

1126 regulations regarding the frequency and manner of responding to
1127 the unit owners' inquiries, one of which may be that the
1128 association is obligated to respond to only one written inquiry
1129 per unit in any given 30-day period. In such case, any
1130 additional inquiry or inquiries must be responded to in the
1131 subsequent 30-day period, or periods, as applicable.

1132 (c) Board of administration meetings. Members of the board
1133 of administration may use e-mail as a means of communication but
1134 may not cast a vote on an association matter via e-mail.

1135 Meetings of the board of administration at which a quorum of the
1136 members is present shall be open to all unit owners. Any unit
1137 owner may tape record or videotape meetings of the board of
1138 administration. The right to attend such meetings includes the
1139 right to speak at such meetings with reference to all designated
1140 agenda items. The division shall adopt reasonable rules
1141 governing the tape recording and videotaping of the meeting. The
1142 association may adopt reasonable written rules governing the
1143 frequency, duration, and manner of unit owner statements.
1144 Adequate notice of all meetings shall be posted in a conspicuous
1145 place upon the cooperative property at least 48 continuous hours
1146 preceding the meeting, except in an emergency. Any item not
1147 included on the notice may be taken up on an emergency basis by
1148 at least a majority plus one of the members of the board. Such
1149 emergency action shall be noticed and ratified at the next
1150 regular meeting of the board. Notice of any meeting in which

1151 regular or special assessments against unit owners are to be
1152 considered must specifically state that assessments will be
1153 considered and provide the estimated amount and description of
1154 the purposes for such assessments. ~~However,~~ Written notice of
1155 any meeting at which nonemergency special assessments, or at
1156 which amendment to rules regarding unit use, will be considered
1157 shall be mailed, delivered, or electronically transmitted to the
1158 unit owners and posted conspicuously on the cooperative property
1159 not less than 14 days before the meeting. Evidence of compliance
1160 with this 14-day notice shall be made by an affidavit executed
1161 by the person providing the notice and filed among the official
1162 records of the association. Upon notice to the unit owners, the
1163 board shall by duly adopted rule designate a specific location
1164 on the cooperative property upon which all notices of board
1165 meetings shall be posted. In lieu of or in addition to the
1166 physical posting of notice of any meeting of the board of
1167 administration on the cooperative property, the association may,
1168 by reasonable rule, adopt a procedure for conspicuously posting
1169 and repeatedly broadcasting the notice and the agenda on a
1170 closed-circuit cable television system serving the cooperative
1171 association. However, if broadcast notice is used in lieu of a
1172 notice posted physically on the cooperative property, the notice
1173 and agenda must be broadcast at least four times every broadcast
1174 hour of each day that a posted notice is otherwise required
1175 under this section. When broadcast notice is provided, the

1176 notice and agenda must be broadcast in a manner and for a
1177 sufficient continuous length of time so as to allow an average
1178 reader to observe the notice and read and comprehend the entire
1179 content of the notice and the agenda. In addition to any of the
1180 authorized means of providing notice of a meeting of the board,
1181 the association may, by rule, adopt a procedure for
1182 conspicuously posting the meeting notice and the agenda on a
1183 website serving the cooperative association for at least the
1184 minimum period of time for which a notice of a meeting is also
1185 required to be physically posted on the cooperative property.
1186 Any rule adopted shall, in addition to other matters, include a
1187 requirement that the association send an electronic notice in
1188 the same manner as required for a notice for a meeting of the
1189 members, which must include a hypertext link to the website
1190 where the notice is posted, to unit owners whose e-mail
1191 addresses are included in the association's official records.
1192 ~~Notice of any meeting in which regular assessments against unit~~
1193 ~~owners are to be considered for any reason shall specifically~~
1194 ~~contain a statement that assessments will be considered and the~~
1195 ~~nature of any such assessments.~~ Meetings of a committee to take
1196 final action on behalf of the board or to make recommendations
1197 to the board regarding the association budget are subject to the
1198 provisions of this paragraph. Meetings of a committee that does
1199 not take final action on behalf of the board or make
1200 recommendations to the board regarding the association budget

1201 are subject to the provisions of this section, unless those
 1202 meetings are exempted from this section by the bylaws of the
 1203 association. Notwithstanding any other law to the contrary, the
 1204 requirement that board meetings and committee meetings be open
 1205 to the unit owners does not apply to board or committee meetings
 1206 held for the purpose of discussing personnel matters or meetings
 1207 between the board or a committee and the association's attorney,
 1208 with respect to proposed or pending litigation, if the meeting
 1209 is held for the purpose of seeking or rendering legal advice.

1210 (m) Director or officer delinquencies.—A director or
 1211 officer more than 90 days delinquent in the payment of any
 1212 monetary obligation due the association shall be deemed to have
 1213 abandoned the office, creating a vacancy in the office to be
 1214 filled according to law.

1215 Section 11. Paragraph (b) of subsection (1) of section
 1216 719.107, Florida Statutes, is amended to read:

1217 719.107 Common expenses; assessment.—

1218 (1)

1219 (b) If so provided in the bylaws, the cost of
 1220 communications services as defined in chapter 202, information
 1221 services, or Internet services ~~a master antenna television~~
 1222 ~~system or duly franchised cable television service~~ obtained
 1223 pursuant to a bulk contract shall be deemed a common expense,
 1224 and if not obtained pursuant to a bulk contract, such cost shall
 1225 be considered common expense if it is designated as such in a

1226 written contract between the board of administration and the
1227 company providing the communications services as defined in
1228 chapter 202, information services, or Internet services ~~master~~
1229 ~~television antenna system or the cable television service~~. The
1230 contract shall be for a term of not less than 2 years.

1231 1. Any contract made by the board after April 2, 1992, for
1232 a community antenna system or duly franchised cable television
1233 service, communications services as defined in chapter 202,
1234 information services, or Internet services may be canceled by a
1235 majority of the voting interests present at the next regular or
1236 special meeting of the association. Any member may make a motion
1237 to cancel the contract, but if no motion is made or if such
1238 motion fails to obtain the required majority at the next regular
1239 or special meeting, whichever is sooner, following the making of
1240 the contract, then such contract shall be deemed ratified for
1241 the term therein expressed.

1242 2. Any such contract shall provide, and shall be deemed to
1243 provide if not expressly set forth, that any hearing impaired or
1244 legally blind unit owner who does not occupy the unit with a
1245 nonhearing impaired or sighted person may discontinue the
1246 service without incurring disconnect fees, penalties, or
1247 subsequent service charges, and as to such units, the owners
1248 shall not be required to pay any common expenses charge related
1249 to such service. If less than all members of an association
1250 share the expenses of cable television, the expense shall be

1251 shared equally by all participating unit owners. The association
1252 may use the provisions of s. 719.108 to enforce payment of the
1253 shares of such costs by the unit owners receiving cable
1254 television.

1255 Section 12. Paragraphs (a) and (c) of subsection (2) and
1256 subsection (7) of section 720.303, Florida Statutes, are amended
1257 to read:

1258 720.303 Association powers and duties; meetings of board;
1259 official records; budgets; financial reporting; association
1260 funds; recalls.—

1261 (2) BOARD MEETINGS.—

1262 (a) Members of the board of administration may use e-mail
1263 as a means of communication, but may not cast a vote on an
1264 association matter via e-mail. A meeting of the board of
1265 directors of an association occurs whenever a quorum of the
1266 board gathers to conduct association business. Meetings of the
1267 board must be open to all members, except for meetings between
1268 the board and its attorney with respect to proposed or pending
1269 litigation where the contents of the discussion would otherwise
1270 be governed by the attorney-client privilege. A meeting of the
1271 board must be held at a location that is accessible to a
1272 physically handicapped person if requested by a physically
1273 handicapped person who has a right to attend the meeting. The
1274 provisions of this subsection shall also apply to the meetings
1275 of any committee or other similar body when a final decision

1276 will be made regarding the expenditure of association funds and
1277 to meetings of any body vested with the power to approve or
1278 disapprove architectural decisions with respect to a specific
1279 parcel of residential property owned by a member of the
1280 community.

1281 (c) The bylaws shall provide the following for giving
1282 notice to parcel owners and members of all board meetings and,
1283 if they do not do so, shall be deemed to include ~~provide~~ the
1284 following:

1285 1. Notices of all board meetings must be posted in a
1286 conspicuous place in the community at least 48 hours in advance
1287 of a meeting, except in an emergency. In the alternative, if
1288 notice is not posted in a conspicuous place in the community,
1289 notice of each board meeting must be mailed or delivered to each
1290 member at least 7 days before the meeting, except in an
1291 emergency. Notwithstanding this general notice requirement, for
1292 communities with more than 100 members, the association bylaws
1293 may provide for a reasonable alternative to posting or mailing
1294 of notice for each board meeting, including publication of
1295 notice, provision of a schedule of board meetings, or the
1296 conspicuous posting and repeated broadcasting of the notice on a
1297 closed-circuit cable television system serving the homeowners'
1298 association. However, if broadcast notice is used in lieu of a
1299 notice posted physically in the community, the notice must be
1300 broadcast at least four times every broadcast hour of each day

1301 that a posted notice is otherwise required. When broadcast
1302 notice is provided, the notice and agenda must be broadcast in a
1303 manner and for a sufficient continuous length of time so as to
1304 allow an average reader to observe the notice and read and
1305 comprehend the entire content of the notice and the agenda. The
1306 association may provide notice by electronic transmission in a
1307 manner authorized by law for meetings of the board of directors,
1308 committee meetings requiring notice under this section, and
1309 annual and special meetings of the members to any member who has
1310 provided a facsimile number or e-mail address to the association
1311 to be used for such purposes; however, a member must consent in
1312 writing to receiving notice by electronic transmission.

1313 2. An assessment may not be levied at a board meeting
1314 unless the notice of the meeting includes a statement that
1315 assessments will be considered and the nature of the
1316 assessments. Written notice of any meeting at which special
1317 assessments will be considered or at which amendments to rules
1318 regarding parcel use will be considered must be mailed,
1319 delivered, or electronically transmitted to the members and
1320 parcel owners and posted conspicuously on the property or
1321 broadcast on closed-circuit cable television not less than 14
1322 days before the meeting.

1323 3. Directors may not vote by proxy or by secret ballot at
1324 board meetings, except that secret ballots may be used in the
1325 election of officers. This subsection also applies to the

1326 meetings of any committee or other similar body, when a final
1327 decision will be made regarding the expenditure of association
1328 funds, and to any body vested with the power to approve or
1329 disapprove architectural decisions with respect to a specific
1330 parcel of residential property owned by a member of the
1331 community.

1332 (7) FINANCIAL REPORTING.—Within 90 days after the end of
1333 the fiscal year, or annually on the date provided in the bylaws,
1334 the association shall prepare and complete, or contract with a
1335 third party for the preparation and completion of, a financial
1336 report for the preceding fiscal year. Within 21 days after the
1337 final financial report is completed by the association or
1338 received from the third party, but not later than 120 days after
1339 the end of the fiscal year or other date as provided in the
1340 bylaws, the association shall, within the time limits set forth
1341 in subsection (5), provide each member with a copy of the annual
1342 financial report or a written notice that a copy of the
1343 financial report is available upon request at no charge to the
1344 member. Financial reports shall be prepared as follows:

1345 (a) An association that meets the criteria of this
1346 paragraph shall prepare or cause to be prepared a complete set
1347 of financial statements in accordance with generally accepted
1348 accounting principles as adopted by the Board of Accountancy.
1349 The financial statements shall be based upon the association's
1350 total annual revenues, as follows:

1351 1. An association with total annual revenues of \$150,000
 1352 or more, but less than \$300,000, shall prepare compiled
 1353 financial statements.

1354 2. An association with total annual revenues of at least
 1355 \$300,000, but less than \$500,000, shall prepare reviewed
 1356 financial statements.

1357 3. An association with total annual revenues of \$500,000
 1358 or more shall prepare audited financial statements.

1359 (b)1. An association with total annual revenues of less
 1360 than \$150,000 shall prepare a report of cash receipts and
 1361 expenditures.

1362 ~~2. An association in a community of fewer than 50 parcels,~~
 1363 ~~regardless of the association's annual revenues, may prepare a~~
 1364 ~~report of cash receipts and expenditures in lieu of financial~~
 1365 ~~statements required by paragraph (a) unless the governing~~
 1366 ~~documents provide otherwise.~~

1367 2.3. A report of cash receipts and disbursement must
 1368 disclose the amount of receipts by accounts and receipt
 1369 classifications and the amount of expenses by accounts and
 1370 expense classifications, including, but not limited to, the
 1371 following, as applicable: costs for security, professional, and
 1372 management fees and expenses; taxes; costs for recreation
 1373 facilities; expenses for refuse collection and utility services;
 1374 expenses for lawn care; costs for building maintenance and
 1375 repair; insurance costs; administration and salary expenses; and

1376 reserves if maintained by the association.

1377 (c) If 20 percent of the parcel owners petition the board
 1378 for a level of financial reporting higher than that required by
 1379 this section, the association shall duly notice and hold a
 1380 meeting of members within 30 days of receipt of the petition for
 1381 the purpose of voting on raising the level of reporting for that
 1382 fiscal year. Upon approval of a majority of the total voting
 1383 interests of the parcel owners, the association shall prepare or
 1384 cause to be prepared, shall amend the budget or adopt a special
 1385 assessment to pay for the financial report regardless of any
 1386 provision to the contrary in the governing documents, and shall
 1387 provide within 90 days of the meeting or the end of the fiscal
 1388 year, whichever occurs later:

1389 1. Compiled, reviewed, or audited financial statements, if
 1390 the association is otherwise required to prepare a report of
 1391 cash receipts and expenditures;

1392 2. Reviewed or audited financial statements, if the
 1393 association is otherwise required to prepare compiled financial
 1394 statements; or

1395 3. Audited financial statements if the association is
 1396 otherwise required to prepare reviewed financial statements.

1397 (d) If approved by a majority of the voting interests
 1398 present at a properly called meeting of the association, an
 1399 association may prepare or cause to be prepared:

1400 1. A report of cash receipts and expenditures in lieu of a

1401 compiled, reviewed, or audited financial statement;

1402 2. A report of cash receipts and expenditures or a
1403 compiled financial statement in lieu of a reviewed or audited
1404 financial statement; or

1405 3. A report of cash receipts and expenditures, a compiled
1406 financial statement, or a reviewed financial statement in lieu
1407 of an audited financial statement.

1408 Section 13. Paragraph (a) of subsection (9) of section
1409 720.306, Florida Statutes, is amended to read:

1410 720.306 Meetings of members; voting and election
1411 procedures; amendments.—

1412 (9) ELECTIONS AND BOARD VACANCIES.—

1413 (a) Elections of directors must be conducted in accordance
1414 with the procedures set forth in the governing documents of the
1415 association. Except as provided in paragraph (b), all members of
1416 the association are eligible to serve on the board of directors,
1417 and a member may nominate himself or herself as a candidate for
1418 the board at a meeting where the election is to be held;
1419 provided, however, that if the election process allows
1420 candidates to be nominated in advance of the meeting, the
1421 association is not required to allow nominations at the meeting.
1422 An election is not required unless more candidates are nominated
1423 than vacancies exist. If an election is not required because
1424 there are either an equal number or fewer qualified candidates
1425 than vacancies exist, and if nominations from the floor are not

1426 required pursuant to this section or the bylaws, write-in
1427 nominations are not permitted and such candidates shall commence
1428 service on the board of directors, regardless of whether a
1429 quorum is attained at the annual meeting. Except as otherwise
1430 provided in the governing documents, boards of directors must be
1431 elected by a plurality of the votes cast by eligible voters. Any
1432 challenge to the election process must be commenced within 60
1433 days after the election results are announced.

1434 Section 14. Paragraph (b) of subsection (3) of section
1435 720.3085, Florida Statutes, is amended to read:

1436 720.3085 Payment for assessments; lien claims.—

1437 (3) Assessments and installments on assessments that are
1438 not paid when due bear interest from the due date until paid at
1439 the rate provided in the declaration of covenants or the bylaws
1440 of the association, which rate may not exceed the rate allowed
1441 by law. If no rate is provided in the declaration or bylaws,
1442 interest accrues at the rate of 18 percent per year.

1443 (b) Any payment received by an association and accepted
1444 shall be applied first to any interest accrued, then to any
1445 administrative late fee, then to any costs and reasonable
1446 attorney fees incurred in collection, and then to the delinquent
1447 assessment. This paragraph applies notwithstanding any
1448 restrictive endorsement, designation, or instruction placed on
1449 or accompanying a payment. A late fee is not subject to the
1450 provisions of chapter 687 and is not a fine. The foregoing is

1451 applicable notwithstanding s. 673.3111, any purported accord and
1452 satisfaction, or any restrictive endorsement, designation, or
1453 instruction placed on or accompanying a payment. The preceding
1454 sentence is intended to clarify existing law.

1455 Section 15. This act shall take effect July 1, 2017.