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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/19/2017	.	
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The Committee on Judiciary (Passidomo) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Section 633.2225, Florida Statutes is created to  
read:

633.2225 Condominium and cooperative buildings without  
sprinkler systems; notice requirements; enforcement.-

(1) The board of a condominium or cooperative association



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10 that operates a building of three stories or more that has not  
11 installed a sprinkler system in the common areas of the building  
12 shall mark the building with a sign or symbol approved by the  
13 State Fire Marshal in a manner sufficient to warn persons  
14 conducting fire control and other emergency operations of the  
15 lack of a sprinkler system in the common areas.

16 (2) The State Fire Marshal shall ensure that the dimensions  
17 and placement of the sign or symbol do not diminish the  
18 aesthetic value of the building and shall adopt rules necessary  
19 to implement this section. Among other things, the rules must  
20 address:

21 (a) The dimensions and color of such sign or symbol.

22 (b) The time within which the condominium or cooperative  
23 buildings without sprinkler systems shall be marked as required  
24 by this section.

25 (c) The location on each condominium or cooperative  
26 building without a sprinkler system where such sign or symbol  
27 must be posted.

28 (3) The State Fire Marshal, and local fire officials in  
29 accordance with s. 633.118, shall enforce this section. An owner  
30 who fails to comply with the requirements of this section is  
31 subject to penalties as provided in s. 633.228.

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

34 718.111 The association.—

35 (12) OFFICIAL RECORDS.—

36 (a) From the inception of the association, the association  
37 shall maintain each of the following items, if applicable, which  
38 constitutes the official records of the association:



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- 39           1. A copy of the plans, permits, warranties, and other  
40 items provided by the developer pursuant to s. 718.301(4).  
41           2. A photocopy of the recorded declaration of condominium  
42 of each condominium operated by the association and each  
43 amendment to each declaration.  
44           3. A photocopy of the recorded bylaws of the association  
45 and each amendment to the bylaws.  
46           4. A certified copy of the articles of incorporation of the  
47 association, or other documents creating the association, and  
48 each amendment thereto.  
49           5. A copy of the current rules of the association.  
50           6. A book or books that contain the minutes of all meetings  
51 of the association, the board of administration, and the unit  
52 owners, which minutes must be retained for at least 7 years.  
53           7. A current roster of all unit owners and their mailing  
54 addresses, unit identifications, and voting certifications, and,  
55 if known, telephone numbers. The association shall also maintain  
56 the electronic mailing addresses and facsimile numbers of unit  
57 owners consenting to receive notice by electronic transmission.  
58 The electronic mailing addresses and facsimile numbers are not  
59 accessible to unit owners if consent to receive notice by  
60 electronic transmission is not provided in accordance with  
61 subparagraph (c)5. However, the association is not liable for an  
62 inadvertent disclosure of the electronic mail address or  
63 facsimile number for receiving electronic transmission of  
64 notices.  
65           8. All current insurance policies of the association and  
66 condominiums operated by the association.  
67           9. A current copy of any management agreement, lease, or



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68 other contract to which the association is a party or under  
69 which the association or the unit owners have an obligation or  
70 responsibility.

71 10. Bills of sale or transfer for all property owned by the  
72 association.

73 11. Accounting records for the association and separate  
74 accounting records for each condominium that the association  
75 operates. All accounting records must be maintained for at least  
76 7 years. Any person who knowingly or intentionally defaces or  
77 destroys such records, or who knowingly or intentionally fails  
78 to create or maintain such records, with the intent of causing  
79 harm to the association or one or more of its members, is  
80 personally subject to a civil penalty pursuant to s.  
81 718.501(1)(d). The accounting records must include, but are not  
82 limited to:

83 a. Accurate, itemized, and detailed records of all receipts  
84 and expenditures.

85 b. A current account and a monthly, bimonthly, or quarterly  
86 statement of the account for each unit designating the name of  
87 the unit owner, the due date and amount of each assessment, the  
88 amount paid on the account, and the balance due.

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

91 d. All contracts for work to be performed. Bids for work to  
92 be performed are also considered official records and must be  
93 maintained by the association for 1 year.

94 12. Ballots, sign-in sheets, voting proxies, and all other  
95 papers and electronic records relating to voting by unit owners,  
96 which must be maintained for 1 year from the date of the



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97 election, vote, or meeting to which the document relates,  
98 notwithstanding paragraph (b).

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

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

103       15. All other written records of the association not  
104 specifically included in the foregoing which are related to the  
105 operation of the association.

106       16. A copy of the inspection report as described in s.  
107 718.301(4)(p).

108       (b) The official records of the association must be  
109 maintained within the state for at least 7 years. The records of  
110 the association shall be made available to a unit owner within  
111 45 miles of the condominium property or within the county in  
112 which the condominium property is located within 10 ~~5~~ working  
113 days after receipt of a written request by the board or its  
114 designee. However, such distance requirement does not apply to  
115 an association governing a timeshare condominium. This paragraph  
116 may be complied with by having a copy of the official records of  
117 the association available for inspection or copying on the  
118 condominium property or association property, or the association  
119 may offer the option of making the records available to a unit  
120 owner electronically via the Internet or by allowing the records  
121 to be viewed in electronic format on a computer screen and  
122 printed upon request. The association is not responsible for the  
123 use or misuse of the information provided to an association  
124 member or his or her authorized representative pursuant to the  
125 compliance requirements of this chapter unless the association



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126 has an affirmative duty not to disclose such information  
127 pursuant to this chapter.

128 (c) The official records of the association are open to  
129 inspection by any association member or the authorized  
130 representative of such member at all reasonable times. The right  
131 to inspect the records includes the right to make or obtain  
132 copies, at the reasonable expense, if any, of the member. The  
133 association may adopt reasonable rules regarding the frequency,  
134 time, location, notice, and manner of record inspections and  
135 copying. The failure of an association to provide the records  
136 within 10 working days after receipt of a written request  
137 creates a rebuttable presumption that the association willfully  
138 failed to comply with this paragraph. A unit owner who is denied  
139 access to official records is entitled to the actual damages or  
140 minimum damages for the association's willful failure to comply.  
141 Minimum damages are \$50 per calendar day for up to 10 days,  
142 beginning on the 11th working day after receipt of the written  
143 request. The failure to permit inspection entitles any person  
144 prevailing in an enforcement action to recover reasonable  
145 attorney fees from the person in control of the records who,  
146 directly or indirectly, knowingly denied access to the records.  
147 Any person who knowingly or intentionally defaces or destroys  
148 accounting records that are required by this chapter to be  
149 maintained during the period for which such records are required  
150 to be maintained, or who knowingly or intentionally fails to  
151 create or maintain accounting records that are required to be  
152 created or maintained, with the intent of causing harm to the  
153 association or one or more of its members, is personally subject  
154 to a civil penalty pursuant to s. 718.501(1)(d). The association



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155 shall maintain an adequate number of copies of the declaration,  
156 articles of incorporation, bylaws, and rules, and all amendments  
157 to each of the foregoing, as well as the question and answer  
158 sheet as described in s. 718.504 and year-end financial  
159 information required under this section, on the condominium  
160 property to ensure their availability to unit owners and  
161 prospective purchasers, and may charge its actual costs for  
162 preparing and furnishing these documents to those requesting the  
163 documents. An association shall allow a member or his or her  
164 authorized representative to use a portable device, including a  
165 smartphone, tablet, portable scanner, or any other technology  
166 capable of scanning or taking photographs, to make an electronic  
167 copy of the official records in lieu of the association's  
168 providing the member or his or her authorized representative  
169 with a copy of such records. The association may not charge a  
170 member or his or her authorized representative for the use of a  
171 portable device. Notwithstanding this paragraph, the following  
172 records are not accessible to unit owners:

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

183       2. Information obtained by an association in connection



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184 with the approval of the lease, sale, or other transfer of a  
185 unit.

186         3. Personnel records of association or management company  
187 employees, including, but not limited to, disciplinary, payroll,  
188 health, and insurance records. For purposes of this  
189 subparagraph, the term "personnel records" does not include  
190 written employment agreements with an association employee or  
191 management company, or budgetary or financial records that  
192 indicate the compensation paid to an association employee.

193         4. Medical records of unit owners.

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





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213 provided by an owner and not requested by the association.

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

216         7. The software and operating system used by the  
217 association which allow the manipulation of data, even if the  
218 owner owns a copy of the same software used by the association.  
219 The data is part of the official records of the association.

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

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

234         2. An association and its authorized agent are not liable  
235 for providing such information in good faith pursuant to a  
236 written request if the person providing the information includes  
237 a written statement in substantially the following form: "The  
238 responses herein are made in good faith and to the best of my  
239 ability as to their accuracy."

240         (f) An outgoing board or committee member must relinquish  
241 all official records and property of the association in his or



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242 her possession or under his or her control to the incoming board  
243 within 5 days after the election. The division shall impose a  
244 civil penalty as set forth in s. 718.501(1)(d)6. against an  
245 outgoing board or committee member who willfully and knowingly  
246 fails to relinquish such records and property.

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



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271 division shall consider the number of members and annual  
272 revenues of an association. Financial reports shall be prepared  
273 as follows:

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

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

282 2. An association with total annual revenues of at least  
283 \$300,000, but less than \$500,000, shall prepare reviewed  
284 financial statements.

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

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

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

294 2.3. A report of cash receipts and disbursements must  
295 disclose the amount of receipts by accounts and receipt  
296 classifications and the amount of expenses by accounts and  
297 expense classifications, including, but not limited to, the  
298 following, as applicable: costs for security, professional and  
299 management fees and expenses, taxes, costs for recreation



300 facilities, expenses for refuse collection and utility services,  
301 expenses for lawn care, costs for building maintenance and  
302 repair, insurance costs, administration and salary expenses, and  
303 reserves accumulated and expended for capital expenditures,  
304 deferred maintenance, and any other category for which the  
305 association maintains reserves.

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

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

311 2. Reviewed or audited financial statements, if the  
312 association is required to prepare compiled financial  
313 statements; or

314 3. Audited financial statements if the association is  
315 required to prepare reviewed financial statements.

316 (d) If approved by a majority of the voting interests  
317 present at a properly called meeting of the association, an  
318 association may prepare:

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

321 2. A report of cash receipts and expenditures or a compiled  
322 financial statement in lieu of a reviewed or audited financial  
323 statement; or

324 3. A report of cash receipts and expenditures, a compiled  
325 financial statement, or a reviewed financial statement in lieu  
326 of an audited financial statement.

327  
328 Such meeting and approval must occur before the end of the



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329 fiscal year and is effective only for the fiscal year in which  
330 the vote is taken, except that the approval may also be  
331 effective for the following fiscal year. If the developer has  
332 not turned over control of the association, all unit owners,  
333 including the developer, may vote on issues related to the  
334 preparation of the association's financial reports, from the  
335 date of incorporation of the association through the end of the  
336 second fiscal year after the fiscal year in which the  
337 certificate of a surveyor and mapper is recorded pursuant to s.  
338 718.104(4)(e) or an instrument that transfers title to a unit in  
339 the condominium which is not accompanied by a recorded  
340 assignment of developer rights in favor of the grantee of such  
341 unit is recorded, whichever occurs first. Thereafter, all unit  
342 owners except the developer may vote on such issues until  
343 control is turned over to the association by the developer. Any  
344 audit or review prepared under this section shall be paid for by  
345 the developer if done before turnover of control of the  
346 association. ~~An association may not waive the financial~~  
347 ~~reporting requirements of this section for more than 3~~  
348 ~~consecutive years.~~

349 Section 3. Paragraphs (c) and (1) of subsection (2) of  
350 section 718.112, Florida Statutes, are amended to read:

351 718.112 Bylaws.—

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

355 (c) *Board of administration meetings.*—Meetings of the board  
356 of administration at which a quorum of the members is present  
357 are open to all unit owners. Members of the board of



358 administration may use e-mail as a means of communication but  
359 may not cast a vote on an association matter via e-mail. A unit  
360 owner may tape record or videotape the meetings. The right to  
361 attend such meetings includes the right to speak at such  
362 meetings with reference to all designated agenda items. The  
363 division shall adopt reasonable rules governing the tape  
364 recording and videotaping of the meeting. The association may  
365 adopt written reasonable rules governing the frequency,  
366 duration, and manner of unit owner statements.

367 1. Adequate notice of all board meetings, which must  
368 specifically identify all agenda items, must be posted  
369 conspicuously on the condominium property at least 48 continuous  
370 hours before the meeting except in an emergency. If 20 percent  
371 of the voting interests petition the board to address an item of  
372 business, the board, within 60 days after receipt of the  
373 petition, shall place the item on the agenda at its next regular  
374 board meeting or at a special meeting called for that purpose.  
375 An item not included on the notice may be taken up on an  
376 emergency basis by a vote of at least a majority plus one of the  
377 board members. Such emergency action must be noticed and  
378 ratified at the next regular board meeting. Notice of any  
379 meeting in which a regular or special assessment against unit  
380 owners is to be considered must specifically state that  
381 assessments will be considered and provide the estimated amount  
382 and a description of the purposes for such assessments. However,  
383 Written notice of a meeting at which a nonemergency special  
384 assessment or an amendment to rules regarding unit use will be  
385 considered must be mailed, delivered, or electronically  
386 transmitted to the unit owners and posted conspicuously on the



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387 condominium property at least 14 days before the meeting.  
388 Evidence of compliance with this 14-day notice requirement must  
389 be made by an affidavit executed by the person providing the  
390 notice and filed with the official records of the association.  
391 Upon notice to the unit owners, the board shall, by duly adopted  
392 rule, designate a specific location on the condominium or  
393 association property where all notices of board meetings must be  
394 posted. If there is no condominium property or association  
395 property where notices can be posted, notices shall be mailed,  
396 delivered, or electronically transmitted to each unit owner at  
397 least 14 days before the meeting. In lieu of or in addition to  
398 the physical posting of the notice on the condominium property,  
399 the association may, by reasonable rule, adopt a procedure for  
400 conspicuously posting and repeatedly broadcasting the notice and  
401 the agenda on a closed-circuit cable television system serving  
402 the condominium association. However, if broadcast notice is  
403 used in lieu of a notice physically posted on condominium  
404 property, the notice and agenda must be broadcast at least four  
405 times every broadcast hour of each day that a posted notice is  
406 otherwise required under this section. If broadcast notice is  
407 provided, the notice and agenda must be broadcast in a manner  
408 and for a sufficient continuous length of time so as to allow an  
409 average reader to observe the notice and read and comprehend the  
410 entire content of the notice and the agenda. In addition to any  
411 of the authorized means of providing notice of a meeting of the  
412 board, the association may, by rule, adopt a procedure for  
413 conspicuously posting the meeting notice and the agenda on a  
414 website serving the condominium association for at least the  
415 minimum period of time for which a notice of a meeting is also



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416 required to be physically posted on the condominium property.  
417 Any rule adopted shall, in addition to other matters, include a  
418 requirement that the association send an electronic notice  
419 providing a hypertext link to the website where the notice is  
420 posted. ~~Notice of any meeting in which regular or special~~  
421 ~~assessments against unit owners are to be considered must~~  
422 ~~specifically state that assessments will be considered and~~  
423 ~~provide the nature, estimated cost, and description of the~~  
424 ~~purposes for such assessments.~~

425         2. Meetings of a committee to take final action on behalf  
426 of the board or make recommendations to the board regarding the  
427 association budget are subject to this paragraph. Meetings of a  
428 committee that does not take final action on behalf of the board  
429 or make recommendations to the board regarding the association  
430 budget are subject to this section, unless those meetings are  
431 exempted from this section by the bylaws of the association.

432         3. Notwithstanding any other law, the requirement that  
433 board meetings and committee meetings be open to the unit owners  
434 does not apply to:

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

439             b. Board meetings held for the purpose of discussing  
440 personnel matters.

441             (1) *Certificate of compliance.*—A provision that a  
442 certificate of compliance from a licensed electrical contractor  
443 or electrician may be accepted by the association's board as  
444 evidence of compliance ~~of the condominium units~~ with the





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



474 the association will become compliant by December 31, 2021 ~~2019~~.

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

500 2. If there has been a previous vote to forego  
501 retrofitting, a vote to require retrofitting may be obtained at  
502 a special meeting of the unit owners called by a petition of at



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503 least 10 percent of the voting interests or by a majority of the  
504 board of directors. The vote to require retrofitting requires a  
505 two-thirds vote of the total voting interest. ~~Such a vote may~~  
506 ~~only be called once every 3 years.~~ Notice shall be provided as  
507 required for any regularly called meeting of the unit owners,  
508 and must state the purpose of the meeting. ~~Electronic~~  
509 ~~transmission may not be used to provide notice of a meeting~~  
510 ~~called in whole or in part for this purpose.~~

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

521 4. Notwithstanding s. 553.509, a residential association  
522 may not be obligated to, and may forego the retrofitting of, any  
523 improvements required by s. 553.509(2) upon an affirmative vote  
524 of two-thirds ~~a majority~~ of the voting interests in the affected  
525 condominium.

526 5. The provisions of this paragraph do not apply to  
527 timeshare condominium associations, which shall be governed by  
528 s. 721.24.

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

531 718.113 Maintenance; limitation upon improvement; display



532 of flag; hurricane shutters and protection; display of religious  
533 decorations.—

534 (2) (a) Except as otherwise provided in this section, there  
535 shall be no material alteration or substantial additions to the  
536 common elements or to real property which is association  
537 property, except in a manner provided in the declaration as  
538 originally recorded or as amended under the procedures provided  
539 therein. If the declaration as originally recorded or as amended  
540 under the procedures provided therein does not specify the  
541 procedure for approval of material alterations or substantial  
542 additions, 75 percent of the total voting interests of the  
543 association must approve the alterations or additions before the  
544 material alterations or substantial additions are commenced.

545 This paragraph is intended to clarify existing law and applies  
546 to associations existing on the effective date of this act  
547 October 1, 2008.

548 (b) There shall not be any material alteration of, or  
549 substantial addition to, the common elements of any condominium  
550 operated by a multicondominium association unless approved in  
551 the manner provided in the declaration of the affected  
552 condominium or condominiums as originally recorded or as amended  
553 under the procedures provided therein. If a declaration as  
554 originally recorded or as amended under the procedures provided  
555 therein does not specify a procedure for approving such an  
556 alteration or addition, the approval of 75 percent of the total  
557 voting interests of each affected condominium is required before  
558 the material alterations or substantial additions are commenced.

559 This subsection does not prohibit a provision in any  
560 declaration, articles of incorporation, or bylaws as originally



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561 recorded or as amended under the procedures provided therein  
562 requiring the approval of unit owners in any condominium  
563 operated by the same association or requiring board approval  
564 before a material alteration or substantial addition to the  
565 common elements is permitted. This paragraph is intended to  
566 clarify existing law and applies to associations existing on the  
567 effective date of this act.

568 (c) There shall not be any material alteration or  
569 substantial addition made to association real property operated  
570 by a multicondominium association, except as provided in the  
571 declaration, articles of incorporation, or bylaws as originally  
572 recorded or as amended under the procedures provided therein. If  
573 the declaration, articles of incorporation, or bylaws as  
574 originally recorded or as amended under the procedures provided  
575 therein do not specify the procedure for approving an alteration  
576 or addition to association real property, the approval of 75  
577 percent of the total voting interests of the association is  
578 required before the material alterations or substantial  
579 additions are commenced. This paragraph is intended to clarify  
580 existing law and applies to associations existing on the  
581 effective date of this act.

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

585 718.117 Termination of condominium.—

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

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



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590           (b) In some circumstances, the continued enforcement of  
591 those covenants that may create economic waste, areas of  
592 disrepair that threaten the safety and welfare of the public, or  
593 cause obsolescence of the a condominium property for its  
594 intended use and thereby lower property tax values, and the  
595 ~~Legislature further finds that~~ it is the public policy of this  
596 state to provide by statute a method to preserve the value of  
597 the property interests and the rights of alienation thereof that  
598 owners have in the condominium property before and after  
599 termination.

600           (c) The Legislature further finds that It is contrary to  
601 the public policy of this state to require the continued  
602 operation of a condominium when to do so constitutes economic  
603 waste or when the ability to do so is made impossible by law or  
604 regulation.

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

608           1. Ensure the continued maintenance, management, and repair  
609 of stormwater management systems, conservation areas, and  
610 conservation easements.

611           2. Avoid transferring the expense of maintaining  
612 infrastructure serving the condominium property, including, but  
613 not limited to, stormwater systems and conservation areas, to  
614 the general tax bases of the state and local governments.

615           3. Prevent covenants from impairing the continued  
616 productive use of the property.

617           4. Protect state residents from health and safety hazards  
618 created by derelict, damaged, obsolete, or abandoned condominium



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619 properties.

620 5. Provide for fair treatment and just compensation for  
621 individuals, preserve property values, and preserve the local  
622 property tax base.

623 6. Preserve the state's long history of protecting  
624 homestead property and homestead property rights by ensuring  
625 that such protection is extended to homestead property owners in  
626 the context of a termination of the covenants of a declaration  
627 of condominium. This section applies to all condominiums in this  
628 state in existence on or after July 1, 2007.

629 (3) OPTIONAL TERMINATION. ~~Except as provided in subsection~~  
630 ~~(2) or unless the declaration provides for a lower percentage,~~  
631 The condominium form of ownership may be terminated for all or a  
632 portion of the condominium property pursuant to a plan of  
633 termination meeting the requirements of this section and  
634 approved by the division. Before a residential association  
635 submits a plan to the division, the plan must be approved by at  
636 least 80 percent of the total voting interests of the  
637 condominium. However, if 5 ~~10~~ percent or more of the total  
638 voting interests of the condominium have rejected the plan of  
639 termination by negative vote or by providing written objections,  
640 the plan of termination may not proceed.

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

643 1. The total voting interests of the condominium must  
644 include all voting interests for the purpose of considering a  
645 plan of termination. A voting interest of the condominium may  
646 not be suspended for any reason when voting on termination  
647 pursuant to this subsection.



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

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

656           (c) For purposes of this subsection, the term "bulk owner"  
657 means the single holder of such voting interests or an owner  
658 together with a related entity or entities that would be  
659 considered an insider, as defined in s. 726.102, holding such  
660 voting interests. If the condominium association is a  
661 residential association proposed for termination pursuant to  
662 this section and, at the time of recording the plan of  
663 termination, at least 80 percent of the total voting interests  
664 are owned by a bulk owner, the plan of termination is subject to  
665 the following conditions and limitations:

666           1. If the former condominium units are offered for lease to  
667 the public after the termination, each unit owner in occupancy  
668 immediately before the date of recording of the plan of  
669 termination may lease his or her former unit and remain in  
670 possession of the unit for 12 months after the effective date of  
671 the termination on the same terms as similar unit types within  
672 the property are being offered to the public. In order to obtain  
673 a lease and exercise the right to retain exclusive possession of  
674 the unit owner's former unit, the unit owner must make a written  
675 request to the termination trustee to rent the former unit  
676 within 90 days after the date the plan of termination is





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677 recorded. Any unit owner who fails to timely make such written  
678 request and sign a lease within 15 days after being presented  
679 with a lease is deemed to have waived his or her right to retain  
680 possession of his or her former unit and shall be required to  
681 vacate the former unit upon the effective date of the  
682 termination, unless otherwise provided in the plan of  
683 termination.

684         2. Any former unit owner whose unit was granted homestead  
685 exemption status by the applicable county property appraiser as  
686 of the date of the recording of the plan of termination shall be  
687 paid a relocation payment in an amount equal to 1 percent of the  
688 termination proceeds allocated to the owner's former unit. Any  
689 relocation payment payable under this subparagraph shall be paid  
690 by the single entity or related entities owning at least 80  
691 percent of the total voting interests. Such relocation payment  
692 shall be in addition to the termination proceeds for such  
693 owner's former unit and shall be paid no later than 10 days  
694 after the former unit owner vacates his or her former unit.

695         3. For their respective units, all unit owners other than  
696 the bulk owner must be compensated at least 100 percent of the  
697 fair market value of their units. The fair market value shall be  
698 determined as of a date that is no earlier than 90 days before  
699 the date that the plan of termination is recorded and shall be  
700 determined by an independent appraiser selected by the  
701 termination trustee. For a person ~~an original purchaser from the~~  
702 ~~developer who rejects the plan of termination and~~ whose unit was  
703 granted homestead exemption status by the applicable county  
704 property appraiser, or was an owner-occupied operating business,  
705 as of the date that the plan of termination is recorded and who



706 is current in payment of both assessments and other monetary  
707 obligations to the association ~~and any mortgage encumbering the~~  
708 ~~unit~~ as of the date the plan of termination is recorded, the  
709 fair market value for the unit owner rejecting the plan shall be  
710 at least the original purchase price paid for the unit. For  
711 purposes of this subparagraph, the term "fair market value"  
712 means the price of a unit that a seller is willing to accept and  
713 a buyer is willing to pay on the open market in an arms-length  
714 transaction based on similar units sold in other condominiums,  
715 including units sold in bulk purchases but excluding units sold  
716 at wholesale or distressed prices. The purchase price of units  
717 acquired in bulk following a bankruptcy or foreclosure shall not  
718 be considered for purposes of determining fair market value.

719 4. The plan of termination must provide for payment of a  
720 first mortgage encumbering a unit to the extent necessary to  
721 satisfy the lien, but the payment may not exceed the unit's  
722 share of the proceeds of termination under the plan. If the unit  
723 owner is current in payment of both assessments and other  
724 monetary obligations to the association and any mortgage  
725 encumbering the unit as of the date the plan of termination is  
726 recorded, the receipt by the holder of the unit's share of the  
727 proceeds of termination under the plan or the outstanding  
728 balance of the mortgage, whichever is less, shall be deemed to  
729 have satisfied the first mortgage in full.

730 5. Before a plan of termination is presented to the unit  
731 owners for consideration pursuant to this paragraph, the plan  
732 must include the following written disclosures in a sworn  
733 statement:

734 a. The identity of any person or entity that owns or



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735 controls 25 ~~50~~ percent or more of the units in the condominium  
736 and, if the units are owned by an artificial entity or entities,  
737 a disclosure of the natural person or persons who, directly or  
738 indirectly, manage or control the entity or entities and the  
739 natural person or persons who, directly or indirectly, own or  
740 control 10 ~~20~~ percent or more of the artificial entity or  
741 entities that constitute the bulk owner.

742 b. The units acquired by any bulk owner, the date each unit  
743 was acquired, and the total amount of compensation paid to each  
744 prior unit owner by the bulk owner, regardless of whether  
745 attributed to the purchase price of the unit.

746 c. The relationship of any board member to the bulk owner  
747 or any person or entity affiliated with the bulk owner subject  
748 to disclosure pursuant to this subparagraph.

749 d. The factual circumstances that show that the plan  
750 complies with the requirements of this section and that the plan  
751 supports the expressed public policies of this section.

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

756 (e) Upon approval of a plan of termination by the unit  
757 owners in a residential condominium, the plan shall be filed  
758 with the division. The division shall review the plan to  
759 determine its sufficiency under the Condominium Act and must,  
760 within 45 days after receipt of the initial filing, notify the  
761 association by mail of any procedural deficiencies or that the  
762 filing is accepted. If the notice is not provided to the  
763 association within 45 days after receipt of the filing, the



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764 filing is presumed to be accepted. If the division determines  
765 that the conditions required by this section have been met and  
766 the plan complies with the procedural requirements of this  
767 section, the division shall authorize the termination and the  
768 termination may proceed pursuant to this section.

769 (f) The provisions of subsection (2) do not apply to  
770 optional termination pursuant to this subsection.

771 (21) APPLICABILITY.—This section applies to all  
772 condominiums in this state in existence on or after July 1,  
773 2007.

774 Section 6. The amendments made by Section 5 of this act are  
775 intended to clarify existing law, are remedial in nature and  
776 intended to address the rights and liabilities of the affected  
777 parties, and apply to all condominiums created under the  
778 Condominium Act.

779 Section 7. For the 2017-2018 fiscal year, the sums of  
780 \$85,006 in recurring funds and \$4,046 in nonrecurring funds from  
781 the Division of Florida Condominiums, Timeshares, and Mobile  
782 Homes Trust Fund are appropriated to the Department of Business  
783 and Professional Regulation, and one full-time equivalent  
784 position with associated salary rate of 56,791 is authorized,  
785 for the purpose of implementing Section 5 of this act.

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

789 719.104 Cooperatives; access to units; records; financial  
790 reports; assessments; purchase of leases.—

791 (2) OFFICIAL RECORDS.—

792 (a) From the inception of the association, the association



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793 shall maintain a copy of each of the following, where  
794 applicable, which shall constitute the official records of the  
795 association:

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

798 2. A photocopy of the cooperative documents.

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

800 4. A book or books containing the minutes of all meetings  
801 of the association, of the board of directors, and of the unit  
802 owners, which minutes shall be retained for a period of not less  
803 than 7 years.

804 5. A current roster of all unit owners and their mailing  
805 addresses, unit identifications, voting certifications, and, if  
806 known, telephone numbers. The association shall also maintain  
807 the electronic mailing addresses and the numbers designated by  
808 unit owners for receiving notice sent by electronic transmission  
809 of those unit owners consenting to receive notice by electronic  
810 transmission. The electronic mailing addresses and numbers  
811 provided by unit owners to receive notice by electronic  
812 transmission shall be removed from association records when  
813 consent to receive notice by electronic transmission is revoked.  
814 However, the association is not liable for an erroneous  
815 disclosure of the electronic mail address or the number for  
816 receiving electronic transmission of notices.

817 6. All current insurance policies of the association.

818 7. A current copy of any management agreement, lease, or  
819 other contract to which the association is a party or under  
820 which the association or the unit owners have an obligation or  
821 responsibility.



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822           8. Bills of sale or transfer for all property owned by the  
823 association.

824           9. Accounting records for the association and separate  
825 accounting records for each unit it operates, according to good  
826 accounting practices. All accounting records shall be maintained  
827 for a period of not less than 7 years. The accounting records  
828 shall include, but not be limited to:

829           a. Accurate, itemized, and detailed records of all receipts  
830 and expenditures.

831           b. A current account and a monthly, bimonthly, or quarterly  
832 statement of the account for each unit designating the name of  
833 the unit owner, the due date and amount of each assessment, the  
834 amount paid upon the account, and the balance due.

835           c. All audits, reviews, accounting statements, and  
836 financial reports of the association.

837           d. All contracts for work to be performed. Bids for work to  
838 be performed shall also be considered official records and shall  
839 be maintained for a period of 1 year.

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

844           11. All rental records where the association is acting as  
845 agent for the rental of units.

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

848           13. All other written records of the association not  
849 specifically included in the foregoing which are related to the  
850 operation of the association.



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851           (b) The official records of the association must be  
852 maintained within the state for at least 7 years. The records of  
853 the association shall be made available to a unit owner within  
854 45 miles of the cooperative property or within the county in  
855 which the cooperative property is located within 10 ~~5~~ working  
856 days after receipt of written request by the board or its  
857 designee. This paragraph may be complied with by having a copy  
858 of the official records of the association available for  
859 inspection or copying on the cooperative property or the  
860 association may offer the option of making the records available  
861 to a unit owner electronically via the Internet or by allowing  
862 the records to be viewed in an electronic format on a computer  
863 screen and printed upon request. The association is not  
864 responsible for the use or misuse of the information provided to  
865 an association member or his or her authorized representative  
866 pursuant to the compliance requirements of this chapter unless  
867 the association has an affirmative duty not to disclose such  
868 information pursuant to this chapter.

869           (4) FINANCIAL REPORT.—

870           (b) Except as provided in paragraph (c), an association  
871 whose total annual revenues meet the criteria of this paragraph  
872 shall prepare or cause to be prepared a complete set of  
873 financial statements according to the generally accepted  
874 accounting principles adopted by the Board of Accountancy. The  
875 financial statements shall be as follows:

876           1. An association with total annual revenues between  
877 \$150,000 and \$299,999 shall prepare a compiled financial  
878 statement.

879           2. An association with total annual revenues between



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880 \$300,000 and \$499,999 shall prepare a reviewed financial  
881 statement.

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

884 4. The requirement to have the financial statement  
885 compiled, reviewed, or audited does not apply to an association  
886 if a majority of the voting interests of the association present  
887 at a duly called meeting of the association have voted to waive  
888 this requirement for the fiscal year. In an association in which  
889 turnover of control by the developer has not occurred, the  
890 developer may vote to waive the audit requirement for the first  
891 2 years of operation of the association, after which time waiver  
892 of an applicable audit requirement shall be by a majority of  
893 voting interests other than the developer. The meeting shall be  
894 held prior to the end of the fiscal year, and the waiver shall  
895 be effective for only one fiscal year. ~~An association may not  
896 waive the financial reporting requirements of this section for  
897 more than 3 consecutive years.~~

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

901 ~~2. An association in a community of fewer than 50 units,  
902 regardless of the association's annual revenues, shall prepare a  
903 report of cash receipts and expenditures in lieu of the  
904 financial statements required by paragraph (b), unless the  
905 declaration or other recorded governing documents provide  
906 otherwise.~~

907 ~~2.3.~~ A report of cash receipts and expenditures must  
908 disclose the amount of receipts by accounts and receipt





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909 classifications and the amount of expenses by accounts and  
910 expense classifications, including the following, as applicable:  
911 costs for security, professional, and management fees and  
912 expenses; taxes; costs for recreation facilities; expenses for  
913 refuse collection and utility services; expenses for lawn care;  
914 costs for building maintenance and repair; insurance costs;  
915 administration and salary expenses; and reserves, if maintained  
916 by the association.

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

919 719.1055 Amendment of cooperative documents; alteration and  
920 acquisition of property.—

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

926 (a)1. Notwithstanding chapter 633, s. 509.215, s.  
927 553.895(1), or any other code, statute, ordinance,  
928 administrative rule, or regulation, or any interpretation of the  
929 foregoing, an association ~~a cooperative~~ or unit owner is not  
930 obligated to retrofit the common elements or units of a  
931 residential cooperative with a fire sprinkler system or other  
932 engineered lifesafety system in a building that is 75 feet or  
933 less in height. There is no obligation to retrofit for a  
934 building greater than 75 feet in height, calculated from the  
935 lowest level of fire department vehicle access to the floor of  
936 the highest occupiable story ~~has been certified for occupancy by~~  
937 ~~the applicable governmental entity~~ if the unit owners have voted



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938 to forego such retrofitting by the affirmative vote of two-  
939 thirds ~~a majority~~ of all voting interests in the affected  
940 cooperative. There is no requirement that owners in cooperatives  
941 of 75 feet or less conduct an opt-out vote and such cooperatives  
942 are exempt from fire sprinkler or other engineered life safety  
943 retrofitting. The preceding sentence is intended to clarify  
944 existing law. The local authority having jurisdiction may not  
945 require completion of retrofitting with a fire sprinkler system  
946 or other engineered life safety system before January 1, 2022  
947 ~~the end of 2019.~~ By December 31, 2018 ~~2016~~, a cooperative that  
948 is not in compliance with the requirements for a fire sprinkler  
949 system or other engineered lifesafety system and has not voted  
950 to forego retrofitting of such a system must initiate an  
951 application for a building permit for the required installation  
952 with the local government having jurisdiction demonstrating that  
953 the cooperative will become compliant by December 31, 2021 ~~2019~~.

954 2. A vote to forego required retrofitting may be obtained  
955 by limited proxy or by a ballot personally cast at a duly called  
956 membership meeting, or by execution of a written consent by the  
957 member, or by electronic voting, and is effective upon recording  
958 a certificate executed by an officer or agent of the association  
959 attesting to such vote in the public records of the county where  
960 the cooperative is located. When the opt-out vote is to be  
961 conducted at a meeting, the cooperative shall mail or ~~hand~~  
962 deliver to each unit owner, at each physical and electronic  
963 address of record, written notice at least 14 days before the  
964 membership meeting in which the vote to forego retrofitting of  
965 the required fire sprinkler system or other engineered  
966 lifesafety system is to take place. Within 30 days after the



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967 cooperative's opt-out vote, notice of the results of the opt-out  
968 vote must be mailed or ~~hand~~ delivered to all unit owners at each  
969 physical and electronic address of record. Evidence of  
970 compliance with this notice requirement must be made by  
971 affidavit executed by the person providing the notice and filed  
972 among the official records of the cooperative. Failure to  
973 provide timely notice to unit owners does not invalidate an  
974 otherwise valid opt-out vote if notice of the results is  
975 provided to the owners. After notice is provided to each owner,  
976 a copy must be provided by the current owner to a new owner  
977 before closing and by a unit owner to a renter before signing a  
978 lease.

979 (b) If there has been a previous vote to forego  
980 retrofitting, a vote to require retrofitting may be obtained at  
981 a special meeting of the unit owners called by a petition of  
982 least 10 percent of the voting interests or by a majority of the  
983 board of directors. The vote to require retrofitting requires a  
984 two-thirds vote of the total voting interest. ~~Such vote may only~~  
985 ~~be called once every 3 years~~. Notice must be provided as  
986 required for any regularly called meeting of the unit owners,  
987 and the notice must state the purpose of the meeting. ~~Electronic~~  
988 ~~transmission may not be used to provide notice of a meeting~~  
989 ~~called in whole or in part for this purpose~~.

990 (c) As part of the information collected annually from  
991 cooperatives, the division shall require associations to report  
992 the membership vote and recording of a certificate under this  
993 subsection and, if retrofitting has been undertaken, the per-  
994 unit cost of such work. The division shall annually report to  
995 the Division of State Fire Marshal of the Department of



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996 Financial Services the number of cooperatives that have elected  
997 to forego retrofitting. Compliance with this administrative  
998 reporting requirement does not affect the validity of an opt-out  
999 vote.

1000 Section 10. Paragraphs (a) and (c) of subsection (1) of  
1001 section 719.106, Florida Statutes, are amended, and paragraph  
1002 (m) is added to that subsection, to read:

1003 719.106 Bylaws; cooperative ownership.—

1004 (1) MANDATORY PROVISIONS.—The bylaws or other cooperative  
1005 documents shall provide for the following, and if they do not,  
1006 they shall be deemed to include the following:

1007 (a) *Administration.*—

1008 1. The form of administration of the association shall be  
1009 described, indicating the titles of the officers and board of  
1010 administration and specifying the powers, duties, manner of  
1011 selection and removal, and compensation, if any, of officers and  
1012 board members. In the absence of such a provision, the board of  
1013 administration shall be composed of five members, except in the  
1014 case of cooperatives having five or fewer units, in which case  
1015 in not-for-profit corporations, the board shall consist of not  
1016 fewer than three members. In a residential cooperative  
1017 association of more than 10 units, co-owners of a unit may not  
1018 serve as members of the board of directors at the same time  
1019 unless the co-owners own more than one unit or unless there are  
1020 not enough eligible candidates to fill the vacancies on the  
1021 board at the time of the vacancy. In the absence of provisions  
1022 to the contrary, the board of administration shall have a  
1023 president, a secretary, and a treasurer, who shall perform the  
1024 duties of those offices customarily performed by officers of



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1025 corporations. Unless prohibited in the bylaws, the board of  
1026 administration may appoint other officers and grant them those  
1027 duties it deems appropriate. Unless otherwise provided in the  
1028 bylaws, the officers shall serve without compensation and at the  
1029 pleasure of the board. Unless otherwise provided in the bylaws,  
1030 the members of the board shall serve without compensation.

1031         2. A person who has been suspended or removed by the  
1032 division under this chapter, or who is delinquent in the payment  
1033 of any monetary obligation due to the association, is not  
1034 eligible to be a candidate for board membership and may not be  
1035 listed on the ballot. A director or officer charged by  
1036 information or indictment with a felony theft or embezzlement  
1037 offense involving the association's funds or property is  
1038 suspended from office. The board shall fill the vacancy  
1039 according to general law until the end of the period of the  
1040 suspension or the end of the director's term of office,  
1041 whichever occurs first. However, if the charges are resolved  
1042 without a finding of guilt or without acceptance of a plea of  
1043 guilty or nolo contendere, the director or officer shall be  
1044 reinstated for any remainder of his or her term of office. A  
1045 member who has such criminal charges pending may not be  
1046 appointed or elected to a position as a director or officer. A  
1047 person who has been convicted of any felony in this state or in  
1048 any United States District Court, or who has been convicted of  
1049 any offense in another jurisdiction which would be considered a  
1050 felony if committed in this state, is not eligible for board  
1051 membership unless such felon's civil rights have been restored  
1052 for at least 5 years as of the date such person seeks election  
1053 to the board. The validity of an action by the board is not



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1054 affected if it is later determined that a board member is  
1055 ineligible for board membership due to having been convicted of  
1056 a felony.

1057         3. When a unit owner files a written inquiry by certified  
1058 mail with the board of administration, the board shall respond  
1059 in writing to the unit owner within 30 days of receipt of the  
1060 inquiry. The board's response shall either give a substantive  
1061 response to the inquirer, notify the inquirer that a legal  
1062 opinion has been requested, or notify the inquirer that advice  
1063 has been requested from the division. If the board requests  
1064 advice from the division, the board shall, within 10 days of its  
1065 receipt of the advice, provide in writing a substantive response  
1066 to the inquirer. If a legal opinion is requested, the board  
1067 shall, within 60 days after the receipt of the inquiry, provide  
1068 in writing a substantive response to the inquirer. The failure  
1069 to provide a substantive response to the inquirer as provided  
1070 herein precludes the board from recovering attorney's fees and  
1071 costs in any subsequent litigation, administrative proceeding,  
1072 or arbitration arising out of the inquiry. The association may,  
1073 through its board of administration, adopt reasonable rules and  
1074 regulations regarding the frequency and manner of responding to  
1075 the unit owners' inquiries, one of which may be that the  
1076 association is obligated to respond to only one written inquiry  
1077 per unit in any given 30-day period. In such case, any  
1078 additional inquiry or inquiries must be responded to in the  
1079 subsequent 30-day period, or periods, as applicable.

1080         (c) *Board of administration meetings.*—Members of the board  
1081 of administration may use e-mail as a means of communication but  
1082 may not cast a vote on an association matter via e-mail.



1083 Meetings of the board of administration at which a quorum of the  
1084 members is present shall be open to all unit owners. Any unit  
1085 owner may tape record or videotape meetings of the board of  
1086 administration. The right to attend such meetings includes the  
1087 right to speak at such meetings with reference to all designated  
1088 agenda items. The division shall adopt reasonable rules  
1089 governing the tape recording and videotaping of the meeting. The  
1090 association may adopt reasonable written rules governing the  
1091 frequency, duration, and manner of unit owner statements.  
1092 Adequate notice of all meetings shall be posted in a conspicuous  
1093 place upon the cooperative property at least 48 continuous hours  
1094 preceding the meeting, except in an emergency. Any item not  
1095 included on the notice may be taken up on an emergency basis by  
1096 at least a majority plus one of the members of the board. Such  
1097 emergency action shall be noticed and ratified at the next  
1098 regular meeting of the board. Notice of any meeting in which  
1099 regular or special assessments against unit owners are to be  
1100 considered must specifically state that assessments will be  
1101 considered and provide the estimated amount and description of  
1102 the purposes for such assessments. ~~However,~~ Written notice of  
1103 any meeting at which nonemergency special assessments, or at  
1104 which amendment to rules regarding unit use, will be considered  
1105 shall be mailed, delivered, or electronically transmitted to the  
1106 unit owners and posted conspicuously on the cooperative property  
1107 not less than 14 days before the meeting. Evidence of compliance  
1108 with this 14-day notice shall be made by an affidavit executed  
1109 by the person providing the notice and filed among the official  
1110 records of the association. Upon notice to the unit owners, the  
1111 board shall by duly adopted rule designate a specific location



1112 on the cooperative property upon which all notices of board  
1113 meetings shall be posted. In lieu of or in addition to the  
1114 physical posting of notice of any meeting of the board of  
1115 administration on the cooperative property, the association may,  
1116 by reasonable rule, adopt a procedure for conspicuously posting  
1117 and repeatedly broadcasting the notice and the agenda on a  
1118 closed-circuit cable television system serving the cooperative  
1119 association. However, if broadcast notice is used in lieu of a  
1120 notice posted physically on the cooperative property, the notice  
1121 and agenda must be broadcast at least four times every broadcast  
1122 hour of each day that a posted notice is otherwise required  
1123 under this section. When broadcast notice is provided, the  
1124 notice and agenda must be broadcast in a manner and for a  
1125 sufficient continuous length of time so as to allow an average  
1126 reader to observe the notice and read and comprehend the entire  
1127 content of the notice and the agenda. In addition to any of the  
1128 authorized means of providing notice of a meeting of the board,  
1129 the association may, by rule, adopt a procedure for  
1130 conspicuously posting the meeting notice and the agenda on a  
1131 website serving the cooperative association for at least the  
1132 minimum period of time for which a notice of a meeting is also  
1133 required to be physically posted on the cooperative property.  
1134 Any rule adopted shall, in addition to other matters, include a  
1135 requirement that the association send an electronic notice  
1136 providing a hypertext link to the website where the notice is  
1137 posted. ~~Notice of any meeting in which regular assessments~~  
1138 ~~against unit owners are to be considered for any reason shall~~  
1139 ~~specifically contain a statement that~~  
1140 ~~assessments will be considered and the nature of any such~~





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1141 ~~assessments.~~ Meetings of a committee to take final action on  
1142 behalf of the board or to make recommendations to the board  
1143 regarding the association budget are subject to the provisions  
1144 of this paragraph. Meetings of a committee that does not take  
1145 final action on behalf of the board or make recommendations to  
1146 the board regarding the association budget are subject to the  
1147 provisions of this section, unless those meetings are exempted  
1148 from this section by the bylaws of the association.

1149 Notwithstanding any other law to the contrary, the requirement  
1150 that board meetings and committee meetings be open to the unit  
1151 owners does not apply to board or committee meetings held for  
1152 the purpose of discussing personnel matters or meetings between  
1153 the board or a committee and the association's attorney, with  
1154 respect to proposed or pending litigation, if the meeting is  
1155 held for the purpose of seeking or rendering legal advice.

1156 (m) Director or officer delinquencies.—A director or  
1157 officer more than 90 days delinquent in the payment of any  
1158 monetary obligation due the association shall be deemed to have  
1159 abandoned the office, creating a vacancy in the office to be  
1160 filled according to law.

1161 Section 11. Paragraph (b) of subsection (1) of section  
1162 719.107, Florida Statutes, is amended to read:

1163 719.107 Common expenses; assessment.—

1164 (1)

1165 (b) If so provided in the bylaws, the cost of  
1166 communications services as defined in chapter 202, information  
1167 services, or Internet services ~~a master antenna television~~  
1168 ~~system or duly franchised cable television service~~ obtained  
1169 pursuant to a bulk contract shall be deemed a common expense,



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1170 and if not obtained pursuant to a bulk contract, such cost shall  
1171 be considered common expense if it is designated as such in a  
1172 written contract between the board of administration and the  
1173 company providing the communications services as defined in  
1174 chapter 202, information services, or Internet services ~~master~~  
1175 ~~television antenna system or the cable television service~~. The  
1176 contract shall be for a term of not less than 2 years.

1177 1. Any contract made by the board after April 2, 1992, for  
1178 a community antenna system or duly franchised cable television  
1179 service, communications services as defined in chapter 202,  
1180 information services, or Internet services may be canceled by a  
1181 majority of the voting interests present at the next regular or  
1182 special meeting of the association. Any member may make a motion  
1183 to cancel the contract, but if no motion is made or if such  
1184 motion fails to obtain the required majority at the next regular  
1185 or special meeting, whichever is sooner, following the making of  
1186 the contract, then such contract shall be deemed ratified for  
1187 the term therein expressed.

1188 2. Any such contract shall provide, and shall be deemed to  
1189 provide if not expressly set forth, that any hearing impaired or  
1190 legally blind unit owner who does not occupy the unit with a  
1191 nonhearing impaired or sighted person may discontinue the  
1192 service without incurring disconnect fees, penalties, or  
1193 subsequent service charges, and as to such units, the owners  
1194 shall not be required to pay any common expenses charge related  
1195 to such service. If less than all members of an association  
1196 share the expenses of cable television, the expense shall be  
1197 shared equally by all participating unit owners. The association  
1198 may use the provisions of s. 719.108 to enforce payment of the



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1199 shares of such costs by the unit owners receiving cable  
1200 television.

1201 Section 12. Paragraphs (a) and (c) of subsection (2) and  
1202 subsections (6) and (7) of section 720.303, Florida Statutes,  
1203 are amended to read:

1204 720.303 Association powers and duties; meetings of board;  
1205 official records; budgets; budget meetings; financial reporting;  
1206 association funds; recalls.—

1207 (2) BOARD MEETINGS.—

1208 (a) Members of the board of administration may use e-mail  
1209 as a means of communication, but may not cast a vote on an  
1210 association matter via e-mail. A meeting of the board of  
1211 directors of an association occurs whenever a quorum of the  
1212 board gathers to conduct association business. Meetings of the  
1213 board must be open to all members, except for meetings between  
1214 the board and its attorney with respect to proposed or pending  
1215 litigation where the contents of the discussion would otherwise  
1216 be governed by the attorney-client privilege. A meeting of the  
1217 board must be held at a location that is accessible to a  
1218 physically handicapped person if requested by a physically  
1219 handicapped person who has a right to attend the meeting. The  
1220 provisions of this subsection shall also apply to the meetings  
1221 of any committee or other similar body when a final decision  
1222 will be made regarding the expenditure of association funds and  
1223 to meetings of any body vested with the power to approve or  
1224 disapprove architectural decisions with respect to a specific  
1225 parcel of residential property owned by a member of the  
1226 community.

1227 (c) The bylaws shall provide the following for giving



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1228 notice to parcel owners and members of all board meetings and,  
1229 if they do not do so, shall be deemed to include ~~provide~~ the  
1230 following:

1231 1. Notices of all board meetings must be posted in a  
1232 conspicuous place in the community at least 48 hours in advance  
1233 of a meeting, except in an emergency. In the alternative, if  
1234 notice is not posted in a conspicuous place in the community,  
1235 notice of each board meeting must be mailed or delivered to each  
1236 member at least 7 days before the meeting, except in an  
1237 emergency. Notwithstanding this general notice requirement, for  
1238 communities with more than 100 members, the association bylaws  
1239 may provide for a reasonable alternative to posting or mailing  
1240 of notice for each board meeting, including publication of  
1241 notice, provision of a schedule of board meetings, or the  
1242 conspicuous posting and repeated broadcasting of the notice on a  
1243 closed-circuit cable television system serving the homeowners'  
1244 association. However, if broadcast notice is used in lieu of a  
1245 notice posted physically in the community, the notice must be  
1246 broadcast at least four times every broadcast hour of each day  
1247 that a posted notice is otherwise required. When broadcast  
1248 notice is provided, the notice and agenda must be broadcast in a  
1249 manner and for a sufficient continuous length of time so as to  
1250 allow an average reader to observe the notice and read and  
1251 comprehend the entire content of the notice and the agenda. The  
1252 association may provide notice by electronic transmission in a  
1253 manner authorized by law for meetings of the board of directors,  
1254 committee meetings requiring notice under this section, and  
1255 annual and special meetings of the members to any member who has  
1256 provided a facsimile number or e-mail address to the association



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1257 to be used for such purposes; however, a member must consent in  
1258 writing to receiving notice by electronic transmission.

1259         2. An assessment may not be levied at a board meeting  
1260 unless the notice of the meeting includes a statement that  
1261 assessments will be considered and the nature of the  
1262 assessments. Written notice of any meeting at which special  
1263 assessments will be considered or at which amendments to rules  
1264 regarding parcel use will be considered must be mailed,  
1265 delivered, or electronically transmitted to the members and  
1266 parcel owners and posted conspicuously on the property or  
1267 broadcast on closed-circuit cable television not less than 14  
1268 days before the meeting.

1269         3. Directors may not vote by proxy or by secret ballot at  
1270 board meetings, except that secret ballots may be used in the  
1271 election of officers. This subsection also applies to the  
1272 meetings of any committee or other similar body, when a final  
1273 decision will be made regarding the expenditure of association  
1274 funds, and to any body vested with the power to approve or  
1275 disapprove architectural decisions with respect to a specific  
1276 parcel of residential property owned by a member of the  
1277 community.

1278         (6) BUDGETS; BUDGET MEETINGS.—

1279         (a) The association shall prepare an annual budget that  
1280 sets out the annual operating expenses. The budget must reflect  
1281 the estimated revenues and expenses for that year and the  
1282 estimated surplus or deficit as of the end of the current year.  
1283 The budget must set out separately all fees or charges paid for  
1284 by the association for recreational amenities, whether owned by  
1285 the association, the developer, or another person. The



1286 association shall provide each member with a copy of the annual  
1287 budget or a written notice that a copy of the budget is  
1288 available upon request at no charge to the member. The copy must  
1289 be provided to the member within the time limits set forth in  
1290 subsection (5).

1291 (b) In addition to annual operating expenses, for all  
1292 associations incorporated after July 1, 2017, and any  
1293 association incorporated before that date which, by a majority  
1294 vote of the members of the association present, in person or by  
1295 proxy, at a meeting of the association at which a quorum is  
1296 present, affirmatively votes to be bound by the provisions of  
1297 this subsection as amended effective July 1, 2017, the budget  
1298 must may include a disclosure of reserves ~~reserve accounts~~ for  
1299 capital expenditures and deferred maintenance ~~for~~ which are  
1300 obligations of the association under is responsible. If reserve  
1301 accounts are not established pursuant to paragraph (d), funding  
1302 of such reserves is limited to the extent that the governing  
1303 documents for any item that has a deferred maintenance expense  
1304 greater than \$100,000. The amount to be reserved must be  
1305 computed using a formula based upon the estimated deferred  
1306 maintenance expense of each reserve item divided by the  
1307 estimated remaining useful life of that item. However, and  
1308 notwithstanding the amount disclosed as being the total required  
1309 reserve amount, each parcel which is obligated to pay reserves  
1310 to the association each year shall be assessed for reserves only  
1311 the amount determined by dividing the total annual reserve  
1312 amount disclosed in the budget by the total number of parcels  
1313 that will ultimately be operated by the association. Therefore,  
1314 the assessments actually collected will be less than the full



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1315 amount of required reserves as disclosed in the proposed annual  
1316 budget until all parcels are obligated to pay assessments for  
1317 reserves. The association may adjust the deferred maintenance  
1318 reserve limit increases in assessments annually to take into  
1319 account any changes in estimates or extension of the useful life  
1320 of a reserve item, the anticipated cost of the deferred  
1321 maintenance and any changes in the number of parcels that will  
1322 ultimately be operated by the association. This subsection does  
1323 not apply to an adopted budget for which members of an  
1324 association have determined, by a majority vote of the members  
1325 of the association present, in person or by proxy, and voting at  
1326 a meeting, including reserves. If the budget of the association,  
1327 at which a quorum is present, to provide no reserves or less  
1328 reserves than required by this subsection includes reserve  
1329 accounts established pursuant to paragraph (d), such reserves  
1330 shall be determined, maintained, and waived in the manner  
1331 provided in this subsection. Once an association provides for  
1332 reserve accounts pursuant to paragraph (d), the association  
1333 shall thereafter determine, maintain, and waive reserves in  
1334 compliance with this subsection. This section does not preclude  
1335 an association from ceasing to add amounts to the termination of  
1336 a reserve account established pursuant to this paragraph upon  
1337 approval of a majority of the total voting interests present in  
1338 person or by proxy and voting at a meeting of the association at  
1339 which a quorum is present of the association. Upon such  
1340 approval, no reserves shall be included in the terminating  
1341 reserve account shall be removed from the budget for that year.  
1342 Amounts in the reserve account may be used only for deferred  
1343 maintenance and for no other purpose. Only parcels with



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1344 completed improvements as evidenced by certificates of occupancy  
1345 for such improvements are obligated to pay assessments for  
1346 reserves. A developer that subsidizes the association's budget  
1347 pursuant to s. 720.308(1) is not obligated to include reserve  
1348 contributions in any such subsidy payments. If a developer  
1349 establishes a guarantee under s. 720.308(2) or otherwise  
1350 subsidizes the association budget, the developer is not  
1351 obligated to include reserve contributions in any such guarantee  
1352 or subsidy payments.

1353 (c)1. The developer may vote the voting interests allocated  
1354 to its parcels with completed improvements, as evidenced by  
1355 certificates of occupancy for such improvements, to waive the  
1356 reserves or reduce the funding of reserves ~~If the budget of the~~  
1357 ~~association does not provide for reserve accounts pursuant to~~  
1358 ~~paragraph (d) and the association is responsible for the repair~~  
1359 ~~and maintenance of capital improvements that may result in a~~  
1360 ~~special assessment if reserves are not provided, each financial~~  
1361 ~~report for the preceding fiscal year required by subsection (7)~~  
1362 ~~must contain the following statement in conspicuous type:~~  
1363 ~~THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR RESERVE~~  
1364 ~~ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT~~  
1365 ~~MAY RESULT IN SPECIAL ASSESSMENTS. OWNERS MAY ELECT TO PROVIDE~~  
1366 ~~FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA~~  
1367 ~~STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF THE TOTAL~~  
1368 ~~VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE MEMBERS AT A~~  
1369 ~~MEETING OR BY WRITTEN CONSENT.~~

1370 ~~2. If the budget of the association does provide for~~  
1371 ~~funding accounts for deferred expenditures, including, but not~~  
1372 ~~limited to, funds for capital expenditures and deferred~~





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1373 ~~maintenance, but such accounts are not created or established~~  
1374 ~~pursuant to paragraph (d), each financial report for the~~  
1375 ~~preceding fiscal year required under subsection (7) must also~~  
1376 ~~contain the following statement in conspicuous type:~~  
1377 ~~THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY~~  
1378 ~~DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES~~  
1379 ~~AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED~~  
1380 ~~IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED~~  
1381 ~~TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6),~~  
1382 ~~FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE~~  
1383 ~~RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR~~  
1384 ~~ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.~~  
1385 ~~(d) An association is deemed to have provided for reserve~~  
1386 ~~accounts if reserve accounts have been initially established by~~  
1387 ~~the developer or if the membership of the association~~  
1388 ~~affirmatively elects to provide for reserves. If reserve~~  
1389 ~~accounts are established by the developer, the budget must~~  
1390 ~~designate the components for which the reserve accounts may be~~  
1391 ~~used. If reserve accounts are not initially provided by the~~  
1392 ~~developer, the membership of the association may elect to do so~~  
1393 ~~upon the affirmative approval of a majority of the total voting~~  
1394 ~~interests of the association. Such approval may be obtained by~~  
1395 ~~vote of the members at a duly called meeting of the membership~~  
1396 ~~or by the written consent of a majority of the total voting~~  
1397 ~~interests of the association. The approval action of the~~  
1398 ~~membership must state that reserve accounts shall be provided~~  
1399 ~~for in the budget and must designate the components for which~~  
1400 ~~the reserve accounts are to be established. Upon approval by the~~  
1401 ~~membership, the board of directors shall include the required~~



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1402 ~~reserve accounts in the budget in the next fiscal year following~~  
1403 ~~the approval and each year thereafter. Once established as~~  
1404 ~~provided in this subsection, the reserve accounts must be funded~~  
1405 ~~or maintained or have their funding waived in the manner~~  
1406 ~~provided in paragraph (f).~~

1407 ~~(c) The amount to be reserved in any account established~~  
1408 ~~shall be computed by means of a formula that is based upon~~  
1409 ~~estimated remaining useful life and estimated replacement cost~~  
1410 ~~or deferred maintenance expense of each reserve item. The~~  
1411 ~~association may adjust replacement reserve assessments annually~~  
1412 ~~to take into account any changes in estimates of cost or useful~~  
1413 ~~life of a reserve item.~~

1414 ~~(f) After one or more reserve accounts are established, the~~  
1415 ~~membership of the association, upon a majority vote at a meeting~~  
1416 ~~at which a quorum is present, may provide for no reserves or~~  
1417 ~~less reserves than required by this section. If a meeting of the~~  
1418 ~~parcel unit owners has been called to determine whether to waive~~  
1419 ~~or reduce the funding of reserves and such result is not~~  
1420 ~~achieved or a quorum is not present, the reserves as included in~~  
1421 ~~the budget go into effect. After the turnover, the developer may~~  
1422 ~~vote its voting interest to waive or reduce the funding of~~  
1423 ~~reserves. Any vote taken pursuant to this subsection to waive or~~  
1424 ~~reduce reserves is applicable only to one budget year.~~

1425 (d) Reserve funds and any interest accruing thereon shall  
1426 remain in the reserve account or accounts and may be used only  
1427 for authorized reserve expenditures and may not be used for any  
1428 other purpose.

1429 (e) The only voting interests eligible to vote on questions  
1430 that involve waiving or reducing the funding of reserves are the



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1431 voting interests of the parcels subject to assessment to fund  
1432 the reserves in question. Any vote taken pursuant to this  
1433 subsection to waive or reduce reserves is applicable only to one  
1434 budget year. Proxy questions relating to waiving or reducing the  
1435 funding of reserves must contain the following statement in  
1436 capitalized, bold letters in a font size larger than any other  
1437 used on the face of the proxy ballot: WAIVING OF RESERVES, IN  
1438 WHOLE OR IN PART, MAY RESULT IN PARCEL OWNER LIABILITY FOR  
1439 PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE  
1440 ITEMS.

1441 (f) Funding formulas for reserves required by this section  
1442 shall be based on a pooled analysis of two or more of the items  
1443 for which reserves are required to be accrued pursuant to this  
1444 subsection. The projected annual cash inflows may include  
1445 estimated earnings from investment of principal. The reserve  
1446 funding formula shall have constant funding each year. However,  
1447 each parcel which is obligated to pay reserves to the  
1448 association each year shall be assessed for reserves only the  
1449 amount determined by dividing the total annual reserve amount  
1450 disclosed in the budget by the total number of parcels that will  
1451 ultimately be operated by the association. The assessments  
1452 actually collected shall be less than the full amount of  
1453 required reserves as disclosed in the proposed annual budget  
1454 until all parcels are obligated to pay assessments for reserves.

1455 (g) As alternative to the pooled analysis method described  
1456 in paragraph (f) and, if approved by a majority vote of the  
1457 members present, in person or by proxy, at a meeting of the  
1458 members of the association at which a quorum is present, the  
1459 funding formulas for reserves required ~~authorized~~ by this



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1460 section may ~~must~~ be based on a separate analysis of each of the  
1461 required assets or a pooled analysis of two or more of the  
1462 required assets.

1463 ~~1.~~ If the association maintains separate reserve accounts  
1464 for each of the required assets, the amount of the contribution  
1465 to each reserve account is the sum of the following two  
1466 calculations:

1467 ~~1.a.~~ The total amount necessary, if any, to bring a  
1468 negative component balance to zero.

1469 ~~2.b.~~ The total estimated deferred maintenance expense or  
1470 estimated replacement cost of the reserve component less the  
1471 estimated balance of the reserve component as of the beginning  
1472 of the period the budget will be in effect. The remainder, if  
1473 greater than zero, shall be divided by the estimated remaining  
1474 useful life of the component.

1475  
1476 The formula may be adjusted each year for changes in estimates  
1477 and deferred maintenance performed during the year and may  
1478 include factors such as inflation and earnings on invested  
1479 funds. An association may convert its funding formulas from a  
1480 component method to a pooled method, as described in paragraph  
1481 (f), at any time if approved by a majority vote of the members  
1482 present, in person or by proxy, at a meeting at which a quorum  
1483 is present.

1484 ~~2. If the association maintains a pooled account of two or~~  
1485 ~~more of the required reserve assets, the amount of the~~  
1486 ~~contribution to the pooled reserve account as disclosed on the~~  
1487 ~~proposed budget may not be less than that required to ensure~~  
1488 ~~that the balance on hand at the beginning of the period the~~



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1489 ~~budget will go into effect plus the projected annual cash~~  
1490 ~~inflows over the remaining estimated useful life of all of the~~  
1491 ~~assets that make up the reserve pool are equal to or greater~~  
1492 ~~than the projected annual cash outflows over the remaining~~  
1493 ~~estimated useful lives of all the assets that make up the~~  
1494 ~~reserve pool, based on the current reserve analysis. The~~  
1495 ~~projected annual cash inflows may include estimated earnings~~  
1496 ~~from investment of principal and accounts receivable minus the~~  
1497 ~~allowance for doubtful accounts. The reserve funding formula may~~  
1498 ~~not include any type of balloon payments.~~

1499       (h) 1. ~~Reserve funds and Any interest accruing thereon shall~~  
1500 ~~remain in the reserve account or accounts and shall be used only~~  
1501 ~~for authorized reserve expenditures unless their use for other~~  
1502 ~~purposes is approved in advance by a majority vote at a meeting~~  
1503 ~~at which a proposed annual budget of an association will be~~  
1504 ~~considered by the board or a quorum is present. Prior to~~  
1505 ~~turnover of control of an association by a developer to parcel~~  
1506 ~~owners shall be open to all parcel owners, the developer-~~  
1507 ~~controlled association shall not vote to use reserves for~~  
1508 ~~purposes other than those for which they were intended without~~  
1509 ~~the approval of a majority of all nondeveloper voting interests~~  
1510 ~~voting in person or by limited proxy at a duly called meeting of~~  
1511 ~~the association.~~

1512       2.a. If a board adopts in any fiscal year an annual budget  
1513 which requires assessments against parcel owners which exceed  
1514 115 percent of assessments for the preceding fiscal year, the  
1515 board shall conduct a special meeting of the parcel owners to  
1516 consider a substitute budget if the board receives, within 21  
1517 days after adoption of the annual budget, a written request for



1518 a special meeting from at least 10 percent of all voting  
1519 interests. The special meeting shall be conducted within 60 days  
1520 after adoption of the annual budget. At least 14 days before  
1521 such special meeting, the board shall hand deliver to each  
1522 parcel owner, or mail to each parcel owner at the address last  
1523 furnished to the association, a notice of the meeting. An  
1524 officer or manager of the association, or other person providing  
1525 notice of such meeting shall execute an affidavit evidencing  
1526 compliance with this notice requirement, and such affidavit  
1527 shall be filed among the official records of the association.  
1528 Parcel owners may consider and adopt a substitute budget at the  
1529 special meeting. A substitute budget is adopted if approved by a  
1530 majority of all voting interests unless the governing documents  
1531 require adoption by a greater percentage of voting interests. If  
1532 there is not a quorum at the special meeting or a substitute  
1533 budget is not adopted, the annual budget previously adopted by  
1534 the board shall take effect as scheduled.

1535 b. Any determination of whether assessments exceed 115  
1536 percent of assessments for the prior fiscal year shall exclude  
1537 any provision for reasonable reserves for repair or deferred  
1538 maintenance of items which are the obligations of the  
1539 association under the governing documents, anticipated expenses  
1540 of the association which the board does not expect to be  
1541 incurred on a regular or annual basis, or assessments for  
1542 betterments to the common areas, association property, or other  
1543 items which are the obligation of the association under the  
1544 governing documents.

1545 (i) The provisions of paragraphs (b)-(h) do not apply to  
1546 mandatory reserve accounts required to be established and



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1547 maintained by an association at the direction of a county or  
1548 municipal government, water or drainage management district,  
1549 community development district, or other political subdivision  
1550 that has the authority to approve and control subdivision  
1551 infrastructure which is entrusted to the care of an association  
1552 on the condition that the association establish and maintain one  
1553 or more mandatory reserve accounts for the deferred maintenance  
1554 of the infrastructure in accordance with the requirements of  
1555 that entrusting authority.

1556 (j) Reserve funds must be held in a separate bank account  
1557 established for such funds.

1558 (7) FINANCIAL REPORTING.—Within 90 days after the end of  
1559 the fiscal year, or annually on the date provided in the bylaws,  
1560 the association shall prepare and complete, or contract with a  
1561 third party for the preparation and completion of, a financial  
1562 report for the preceding fiscal year. Within 21 days after the  
1563 final financial report is completed by the association or  
1564 received from the third party, but not later than 120 days after  
1565 the end of the fiscal year or other date as provided in the  
1566 bylaws, the association shall, within the time limits set forth  
1567 in subsection (5), provide each member with a copy of the annual  
1568 financial report or a written notice that a copy of the  
1569 financial report is available upon request at no charge to the  
1570 member. Financial reports shall be prepared as follows:

1571 (a) An association that meets the criteria of this  
1572 paragraph shall prepare or cause to be prepared a complete set  
1573 of financial statements in accordance with generally accepted  
1574 accounting principles as adopted by the Board of Accountancy.  
1575 The financial statements shall be based upon the association's



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1576 total annual revenues, as follows:

1577 1. An association with total annual revenues of \$150,000 or  
1578 more, but less than \$300,000, shall prepare compiled financial  
1579 statements.

1580 2. An association with total annual revenues of at least  
1581 \$300,000, but less than \$500,000, shall prepare reviewed  
1582 financial statements.

1583 3. An association with total annual revenues of \$500,000 or  
1584 more shall prepare audited financial statements.

1585 (b)1. An association with total annual revenues of less  
1586 than \$150,000 shall prepare a report of cash receipts and  
1587 expenditures.

1588 ~~2. An association in a community of fewer than 50 parcels,~~  
1589 ~~regardless of the association's annual revenues, may prepare a~~  
1590 ~~report of cash receipts and expenditures in lieu of financial~~  
1591 ~~statements required by paragraph (a) unless the governing~~  
1592 ~~documents provide otherwise.~~

1593 2.3. A report of cash receipts and disbursement must  
1594 disclose the amount of receipts by accounts and receipt  
1595 classifications and the amount of expenses by accounts and  
1596 expense classifications, including, but not limited to, the  
1597 following, as applicable: costs for security, professional, and  
1598 management fees and expenses; taxes; costs for recreation  
1599 facilities; expenses for refuse collection and utility services;  
1600 expenses for lawn care; costs for building maintenance and  
1601 repair; insurance costs; administration and salary expenses; and  
1602 reserves if maintained by the association.

1603 (c) If 20 percent of the parcel owners petition the board  
1604 for a level of financial reporting higher than that required by





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1605 this section, the association shall duly notice and hold a  
1606 meeting of members within 30 days of receipt of the petition for  
1607 the purpose of voting on raising the level of reporting for that  
1608 fiscal year. Upon approval of a majority of the total voting  
1609 interests of the parcel owners, the association shall prepare or  
1610 cause to be prepared, shall amend the budget or adopt a special  
1611 assessment to pay for the financial report regardless of any  
1612 provision to the contrary in the governing documents, and shall  
1613 provide within 90 days of the meeting or the end of the fiscal  
1614 year, whichever occurs later:

1615 1. Compiled, reviewed, or audited financial statements, if  
1616 the association is otherwise required to prepare a report of  
1617 cash receipts and expenditures;

1618 2. Reviewed or audited financial statements, if the  
1619 association is otherwise required to prepare compiled financial  
1620 statements; or

1621 3. Audited financial statements if the association is  
1622 otherwise required to prepare reviewed financial statements.

1623 (d) If approved by a majority of the voting interests  
1624 present at a properly called meeting of the association, an  
1625 association may prepare or cause to be prepared:

1626 1. A report of cash receipts and expenditures in lieu of a  
1627 compiled, reviewed, or audited financial statement;

1628 2. A report of cash receipts and expenditures or a compiled  
1629 financial statement in lieu of a reviewed or audited financial  
1630 statement; or

1631 3. A report of cash receipts and expenditures, a compiled  
1632 financial statement, or a reviewed financial statement in lieu  
1633 of an audited financial statement.



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1634 Section 13. Paragraph (a) of subsection (9) of section  
1635 720.306, Florida Statutes, is amended to read:

1636 720.306 Meetings of members; voting and election  
1637 procedures; amendments.—

1638 (9) ELECTIONS AND BOARD VACANCIES.—

1639 (a) Elections of directors must be conducted in accordance  
1640 with the procedures set forth in the governing documents of the  
1641 association. Except as provided in paragraph (b), all members of  
1642 the association are eligible to serve on the board of directors,  
1643 and a member may nominate himself or herself as a candidate for  
1644 the board at a meeting where the election is to be held;  
1645 provided, however, that if the election process allows  
1646 candidates to be nominated in advance of the meeting, the  
1647 association is not required to allow nominations at the meeting.  
1648 An election is not required unless more candidates are nominated  
1649 than vacancies exist. If an election is not required because  
1650 there are either an equal number or fewer qualified candidates  
1651 than vacancies exist, and if nominations from the floor are not  
1652 required pursuant to this section or the bylaws, write-in  
1653 nominations are not permitted and such candidates shall commence  
1654 service on the board of directors, regardless of whether a  
1655 quorum is attained at the annual meeting. Except as otherwise  
1656 provided in the governing documents, boards of directors must be  
1657 elected by a plurality of the votes cast by eligible voters. Any  
1658 challenge to the election process must be commenced within 60  
1659 days after the election results are announced.

1660 Section 14. Paragraph (b) of subsection (3) of section  
1661 720.3085, Florida Statutes, is amended to read:

1662 720.3085 Payment for assessments; lien claims.—



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1663 (3) Assessments and installments on assessments that are  
1664 not paid when due bear interest from the due date until paid at  
1665 the rate provided in the declaration of covenants or the bylaws  
1666 of the association, which rate may not exceed the rate allowed  
1667 by law. If no rate is provided in the declaration or bylaws,  
1668 interest accrues at the rate of 18 percent per year.

1669 (b) Any payment received by an association and accepted  
1670 shall be applied first to any interest accrued, then to any  
1671 administrative late fee, then to any costs and reasonable  
1672 attorney fees incurred in collection, and then to the delinquent  
1673 assessment. This paragraph applies notwithstanding any  
1674 restrictive endorsement, designation, or instruction placed on  
1675 or accompanying a payment. A late fee is not subject to the  
1676 provisions of chapter 687 and is not a fine. The foregoing is  
1677 applicable notwithstanding s. 673.3111, any purported accord and  
1678 satisfaction, or any restrictive endorsement, designation, or  
1679 instruction placed on or accompanying a payment. The preceding  
1680 sentence is intended to clarify existing law.

1681 Section 15. Paragraph (a) of subsection (1) of section  
1682 720.401, Florida Statutes, is amended to read:

1683 720.401 Prospective purchasers subject to association  
1684 membership requirement; disclosure required; covenants;  
1685 assessments; contract cancellation.—

1686 (1) (a) A prospective parcel owner in a community must be  
1687 presented a disclosure summary before executing the contract for  
1688 sale. The disclosure summary must be in a form substantially  
1689 similar to the following form:

DISCLOSURE SUMMARY

FOR



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(NAME OF COMMUNITY)

1692  
1693 1. AS A PURCHASER OF PROPERTY IN THIS COMMUNITY, YOU WILL  
1694 BE OBLIGATED TO BE A MEMBER OF A HOMEOWNERS' ASSOCIATION.

1695 2. THERE HAVE BEEN OR WILL BE RECORDED RESTRICTIVE  
1696 COVENANTS GOVERNING THE USE AND OCCUPANCY OF PROPERTIES IN THIS  
1697 COMMUNITY.

1698 3. YOU WILL BE OBLIGATED TO PAY ASSESSMENTS TO THE  
1699 ASSOCIATION. ASSESSMENTS MAY BE SUBJECT TO PERIODIC CHANGE. IF  
1700 APPLICABLE, THE CURRENT AMOUNT IS \$.... PER ..... YOU WILL ALSO  
1701 BE OBLIGATED TO PAY ANY SPECIAL ASSESSMENTS IMPOSED BY THE  
1702 ASSOCIATION. SUCH SPECIAL ASSESSMENTS MAY BE SUBJECT TO CHANGE.  
1703 IF APPLICABLE, THE CURRENT AMOUNT IS \$.... PER .....

1704 4. YOU MAY BE OBLIGATED TO PAY SPECIAL ASSESSMENTS TO THE  
1705 RESPECTIVE MUNICIPALITY, COUNTY, OR SPECIAL DISTRICT. ALL  
1706 ASSESSMENTS ARE SUBJECT TO PERIODIC CHANGE.

1707 5. YOUR FAILURE TO PAY SPECIAL ASSESSMENTS OR ASSESSMENTS  
1708 LEVIED BY A MANDATORY HOMEOWNERS' ASSOCIATION COULD RESULT IN A  
1709 LIEN ON YOUR PROPERTY.

1710 6. THERE MAY BE AN OBLIGATION TO PAY RENT OR LAND USE FEES  
1711 FOR RECREATIONAL OR OTHER COMMONLY USED FACILITIES AS AN  
1712 OBLIGATION OF MEMBERSHIP IN THE HOMEOWNERS' ASSOCIATION. IF  
1713 APPLICABLE, THE CURRENT AMOUNT IS \$.... PER .....

1714 7. THE BUDGET OF THE ASSOCIATION MAY NOT INCLUDE RESERVE  
1715 FUNDS FOR DEFERRED MAINTENANCE SUFFICIENT TO COVER THE FULL COST  
1716 OF DEFERRED MAINTENANCE OF COMMON AREAS. YOU SHOULD REVIEW THE  
1717 BUDGET TO DETERMINE THE LEVEL OF RESERVE FUNDING, IF ANY.

1718 ~~8.7-~~ THE DEVELOPER MAY HAVE THE RIGHT TO AMEND THE  
1719 RESTRICTIVE COVENANTS WITHOUT THE APPROVAL OF THE ASSOCIATION  
1720 MEMBERSHIP OR THE APPROVAL OF THE PARCEL OWNERS.



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1721           ~~9.8.~~ THE STATEMENTS CONTAINED IN THIS DISCLOSURE FORM ARE  
1722 ONLY SUMMARY IN NATURE, AND, AS A PROSPECTIVE PURCHASER, YOU  
1723 SHOULD REFER TO THE COVENANTS AND THE ASSOCIATION GOVERNING  
1724 DOCUMENTS BEFORE PURCHASING PROPERTY.

1725           ~~10.9.~~ THESE DOCUMENTS ARE EITHER MATTERS OF PUBLIC RECORD  
1726 AND CAN BE OBTAINED FROM THE RECORD OFFICE IN THE COUNTY WHERE  
1727 THE PROPERTY IS LOCATED, OR ARE NOT RECORDED AND CAN BE OBTAINED  
1728 FROM THE DEVELOPER.

1729  
1730 DATE:

1731 PURCHASER:

1732 PURCHASER:  
1733

1734 The disclosure must be supplied by the developer, or by the  
1735 parcel owner if the sale is by an owner that is not the  
1736 developer. Any contract or agreement for sale shall refer to and  
1737 incorporate the disclosure summary and shall include, in  
1738 prominent language, a statement that the potential buyer should  
1739 not execute the contract or agreement until they have received  
1740 and read the disclosure summary required by this section.

1741           Section 16. This act shall take effect July 1, 2017.  
1742

1743 ===== T I T L E   A M E N D M E N T =====

1744 And the title is amended as follows:

1745           Delete everything before the enacting clause  
1746 and insert:

1747                                   A bill to be entitled  
1748           An act relating to community associations; creating s.  
1749           633.2225, F.S.; requiring certain condominium or



1750 cooperative associations to post certain signs or  
1751 symbols on buildings; requiring the State Fire Marshal  
1752 to ensure that the dimensions and placement of the  
1753 signs or symbols do not diminish the aesthetic value  
1754 of the buildings on which they are placed and to adopt  
1755 rules governing such signs or symbols; providing for  
1756 enforcement; providing penalties; amending s. 718.111,  
1757 F.S.; revising reporting requirements; amending s.  
1758 718.112, F.S.; authorizing an association to adopt  
1759 rules for posting certain notices on a website;  
1760 revising provisions relating to required condominium  
1761 and cooperative association bylaws; revising  
1762 provisions relating to evidence of condominium and  
1763 cooperative association compliance with the fire and  
1764 life safety code; revising unit and common elements  
1765 required to be retrofitted; revising provisions  
1766 relating to an association vote to forego  
1767 retrofitting; providing applicability; amending s.  
1768 718.113, F.S.; revising voting requirements relating  
1769 to alterations and additions to certain common  
1770 elements or association property; amending s. 718.117,  
1771 F.S.; providing legislative findings; revising voting  
1772 requirements for the rejection of a plan of  
1773 termination; increasing the amount of time to consider  
1774 a plan of termination under certain conditions;  
1775 revising applicability; revising the requirements to  
1776 qualify for payment as a homestead owner if the owner  
1777 has rejected a plan of termination; revising and  
1778 providing notice requirements; requiring the



1779 Department of Business and Professional Regulation to  
1780 review and approve a plan of termination; providing  
1781 applicability; providing an appropriation and  
1782 authorizing a position; amending s. 719.104, F.S.;  
1783 revising recordkeeping and reporting requirements;  
1784 amending s. 719.1055, F.S.; revising provisions  
1785 relating to required condominium and cooperative  
1786 association bylaws; revising provisions relating to  
1787 evidence of condominium and cooperative association  
1788 compliance with the fire and life safety code;  
1789 revising unit and common elements required to be  
1790 retrofitted; revising provisions relating to an  
1791 association vote to forego retrofitting; providing  
1792 applicability; amending s. 719.106, F.S.; revising  
1793 requirements to serve as a board member; prohibiting a  
1794 board member from voting via e-mail; requiring that  
1795 directors who are delinquent in certain payments owed  
1796 in excess of certain periods of time be deemed to have  
1797 abandoned their offices; authorizing an association to  
1798 adopt rules for posting certain notices on a website;  
1799 amending s. 719.107, F.S.; specifying certain services  
1800 which are obtained pursuant to a bulk contract to be  
1801 deemed a common expense; amending s. 720.303, F.S.;  
1802 prohibiting a board member from voting via e-mail;  
1803 revising certain notice requirements relating to board  
1804 meetings; revising and providing budget requirements;  
1805 providing an exemption to certain requirements;  
1806 revising financial reporting requirements; authorizing  
1807 an association to adopt rules for posting certain



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1808 notices on a website; amending s. 720.306, F.S.;

1809 revising election requirements; amending s. 720.3085,

1810 F.S.; providing applicability; amending s. 720.401,

1811 F.S.; revising the disclosure summary form; providing

1812 an effective date.