

By the Committee on Regulated Industries; and Senator Passidomo

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1 A bill to be entitled
2 An act relating to community associations; amending s.
3 718.111, F.S.; revising reporting and record
4 requirements; amending s. 718.112, F.S.; authorizing
5 an association to adopt rules for posting certain
6 notices on a website; revising provisions relating to
7 required condominium and cooperative association
8 bylaws; revising provisions relating to evidence of
9 condominium and cooperative association compliance
10 with the applicable fire and life safety code;
11 revising unit and common elements required to be
12 retrofitted; revising provisions relating to an
13 association vote to forego retrofitting; providing
14 applicability; amending s. 718.113, F.S.; revising
15 voting requirements relating to alterations and
16 additions to certain common elements or association
17 property; amending s. 718.707, F.S.; revising the time
18 period for classification as bulk assignee or bulk
19 buyer; amending s. 719.104, F.S.; revising
20 recordkeeping and reporting requirements; amending s.
21 719.1055, F.S.; revising provisions relating to
22 required condominium and cooperative association
23 bylaws; revising provisions relating to evidence of
24 condominium and cooperative association compliance
25 with the fire and life safety code; revising unit and
26 common elements required to be retrofitted; revising
27 provisions relating to an association vote to forego
28 retrofitting; providing applicability; amending s.
29 719.106, F.S.; revising requirements to serve as a

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30 board member; prohibiting a board member from voting
31 via e-mail; requiring that directors who are
32 delinquent in certain payments owed in excess of
33 certain periods of time be deemed to have abandoned
34 their offices; authorizing an association to adopt
35 rules for posting certain notices on a website;
36 amending s. 719.107, F.S.; specifying certain services
37 that are obtained pursuant to a bulk contract are
38 deemed a common expense; amending s. 720.303, F.S.;

39 prohibiting a board member from voting via e-mail;
40 revising certain notice requirements relating to board
41 meetings; specifying requirements relating to the
42 adoption of assessments; revising financial reporting
43 requirements; amending s. 720.306, F.S.; providing
44 elections requirements; amending s. 720.3085, F.S.;

45 providing applicability; providing an effective date.
46

47 Be It Enacted by the Legislature of the State of Florida:
48

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

51 718.111 The association.—

52 (12) OFFICIAL RECORDS.—

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

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

58 2. A photocopy of the recorded declaration of condominium

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59 of each condominium operated by the association and each
60 amendment to each declaration.

61 3. A photocopy of the recorded bylaws of the association
62 and each amendment to the bylaws.

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

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

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

70 7. A current roster of all unit owners and their mailing
71 addresses, unit identifications, voting certifications, and, if
72 known, telephone numbers. The association shall also maintain
73 the electronic mailing addresses and facsimile numbers of unit
74 owners consenting to receive notice by electronic transmission.
75 The electronic mailing addresses and facsimile numbers are not
76 accessible to unit owners if consent to receive notice by
77 electronic transmission is not provided in accordance with
78 subparagraph (c)5. However, the association is not liable for an
79 inadvertent disclosure of the electronic mail address or
80 facsimile number for receiving electronic transmission of
81 notices.

82 8. All current insurance policies of the association and
83 condominiums operated by the association.

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

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88 10. Bills of sale or transfer for all property owned by the
89 association.

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

98 718.501(1)(d). The accounting records must include, but are not
99 limited to:

100 a. Accurate, itemized, and detailed records of all receipts
101 and expenditures.

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

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

108 d. All contracts for work to be performed. Bids for work to
109 be performed are also considered official records and must be
110 maintained by the association for 1 year.

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

116 13. All rental records if the association is acting as

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117 agent for the rental of condominium units.

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

120 15. All other written records of the association not
121 specifically included in the foregoing which are related to the
122 operation of the association.

123 16. A copy of the inspection report as described in s.
124 718.301(4)(p).

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

145 (c) The official records of the association are open to

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

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

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

200 2. Information obtained by an association in connection
201 with the approval of the lease, sale, or other transfer of a
202 unit.

203 3. Personnel records of association or management company

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

210 4. Medical records of unit owners.

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

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

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

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

239 (e)1. The association or its authorized agent is not
240 required to provide a prospective purchaser or lienholder with
241 information about the condominium or the association other than
242 information or documents required by this chapter to be made
243 available or disclosed. The association or its authorized agent
244 may charge a reasonable fee to the prospective purchaser,
245 lienholder, or the current unit owner for providing good faith
246 responses to requests for information by or on behalf of a
247 prospective purchaser or lienholder, other than that required by
248 law, if the fee does not exceed \$150 plus the reasonable cost of
249 photocopying and any attorney's fees incurred by the association
250 in connection with the response.

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

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

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262 outgoing board or committee member who willfully and knowingly
263 fails to relinquish such records and property.

264 (13) FINANCIAL REPORTING.—Within 90 days after the end of
265 the fiscal year, or annually on a date provided in the bylaws,
266 the association shall prepare and complete, or contract for the
267 preparation and completion of, a financial report for the
268 preceding fiscal year. Within 21 days after the final financial
269 report is completed by the association or received from the
270 third party, but not later than 120 days after the end of the
271 fiscal year or other date as provided in the bylaws, the
272 association shall mail to each unit owner at the address last
273 furnished to the association by the unit owner, or hand deliver
274 to each unit owner, a copy of the financial report or a notice
275 that a copy of the financial report will be mailed or hand
276 delivered to the unit owner, without charge, upon receipt of a
277 written request from the unit owner. The division shall adopt
278 rules setting forth uniform accounting principles and standards
279 to be used by all associations and addressing the financial
280 reporting requirements for multicondominium associations. The
281 rules must include, but not be limited to, standards for
282 presenting a summary of association reserves, including a good
283 faith estimate disclosing the annual amount of reserve funds
284 that would be necessary for the association to fully fund
285 reserves for each reserve item based on the straight-line
286 accounting method. This disclosure is not applicable to reserves
287 funded via the pooling method. In adopting such rules, the
288 division shall consider the number of members and annual
289 revenues of an association. Financial reports shall be prepared
290 as follows:

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

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

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

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

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

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

311 2.3. A report of cash receipts and disbursements must
312 disclose the amount of receipts by accounts and receipt
313 classifications and the amount of expenses by accounts and
314 expense classifications, including, but not limited to, the
315 following, as applicable: costs for security, professional and
316 management fees and expenses, taxes, costs for recreation
317 facilities, expenses for refuse collection and utility services,
318 expenses for lawn care, costs for building maintenance and
319 repair, insurance costs, administration and salary expenses, and

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320 reserves accumulated and expended for capital expenditures,
321 deferred maintenance, and any other category for which the
322 association maintains reserves.

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

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

328 2. Reviewed or audited financial statements, if the
329 association is required to prepare compiled financial
330 statements; or

331 3. Audited financial statements if the association is
332 required to prepare reviewed financial statements.

333 (d) If approved by a majority of the voting interests
334 present at a properly called meeting of the association, an
335 association may prepare:

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

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

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

344

345 Such meeting and approval must occur before the end of the
346 fiscal year and is effective only for the fiscal year in which
347 the vote is taken, except that the approval may also be
348 effective for the following fiscal year. If the developer has

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

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

368 718.112 Bylaws.—

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

372 (c) *Board of administration meetings.*—Meetings of the board
373 of administration at which a quorum of the members is present
374 are open to all unit owners. Members of the board of
375 administration may use e-mail as a means of communication but
376 may not cast a vote on an association matter via e-mail. A unit
377 owner may tape record or videotape the meetings. The right to

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378 attend such meetings includes the right to speak at such
379 meetings with reference to all designated agenda items. The
380 division shall adopt reasonable rules governing the tape
381 recording and videotaping of the meeting. The association may
382 adopt written reasonable rules governing the frequency,
383 duration, and manner of unit owner statements.

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

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

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436 providing a hypertext link to the website where the notice is
437 posted ~~Notice of any meeting in which regular or special~~
438 ~~assessments against unit owners are to be considered must~~
439 ~~specifically state that assessments will be considered and~~
440 ~~provide the nature, estimated cost, and description of the~~
441 ~~purposes for such assessments.~~

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

449 3. Notwithstanding any other law, the requirement that
450 board meetings and committee meetings be open to the unit owners
451 does not apply to:

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

456 b. Board meetings held for the purpose of discussing
457 personnel matters.

458 (1) *Certificate of compliance.*—A provision that a
459 certificate of compliance from a licensed professional engineer
460 ~~electrical contractor or electrician~~ may be accepted by the
461 association's board as evidence of compliance ~~of the condominium~~
462 ~~units~~ with the applicable fire and life safety code must be
463 included. Notwithstanding chapter 633, s. 509.215, s.
464 553.895(1), or ~~of~~ any other code, statute, ordinance,

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465 administrative rule, or regulation, or any interpretation of the
466 foregoing, an association, ~~residential condominium~~, or unit
467 owner is not obligated to retrofit the common elements,
468 association property, or units of a residential condominium with
469 a fire sprinkler system or other engineered lifesafety system in
470 a building that is 75 feet or less in height. There is no
471 obligation to retrofit for a building greater than 75 feet in
472 height, calculated from the lowest level of fire department
473 vehicle access to the floor of the highest occupiable story, has
474 ~~been certified for occupancy by the applicable governmental~~
475 ~~entity~~ if the unit owners have voted to forego such retrofitting
476 by the affirmative vote of a majority of all voting interests in
477 the affected condominium. There is no requirement that owners in
478 condominiums of 75 feet or less conduct an opt-out vote; such
479 condominiums are exempt from fire sprinkler or other engineered
480 lifesafety retrofitting. The preceding sentence is intended to
481 clarify existing law. The local authority having jurisdiction
482 may not require completion of retrofitting with a fire sprinkler
483 system or other engineered lifesafety system before January 1,
484 2022 ~~2020~~. By December 31, 2018 ~~2016~~, an a residential
485 ~~condominium~~ association that operates a residential condominium
486 that is not in compliance with the requirements for a fire
487 sprinkler system or other engineered lifesafety system and has
488 not voted to forego retrofitting of such a system must initiate
489 an application for a building permit for the required
490 installation with the local government having jurisdiction
491 demonstrating that the association will become compliant by
492 December 31, 2021 ~~2019~~.

493 1. A vote to forego required retrofitting may be obtained

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494 by limited proxy or by a ballot personally cast at a duly called
495 membership meeting, ~~or~~ by execution of a written consent by the
496 member, or by electronic voting, and is effective upon recording
497 a certificate executed by an officer or agent of the association
498 attesting to such vote in the public records of the county where
499 the condominium is located. When an opt-out vote is to be
500 conducted at a meeting, the association shall mail or ~~hand~~
501 deliver to each unit owner written notice at least 14 days
502 before the membership meeting in which the vote to forego
503 retrofitting of the required fire sprinkler system or other
504 engineered lifesafety system is to take place. Within 30 days
505 after the association's opt-out vote, notice of the results of
506 the opt-out vote must be mailed or ~~hand~~ delivered to all unit
507 owners. Evidence of compliance with this notice requirement must
508 be made by affidavit executed by the person providing the notice
509 and filed among the official records of the association. Failure
510 to provide timely notice to unit owners does not invalidate an
511 otherwise valid opt-out vote if notice of the results is
512 provided to the owners ~~After notice is provided to each owner, a~~
513 ~~copy must be provided by the current owner to a new owner before~~
514 ~~closing and by a unit owner to a renter before signing a lease.~~

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

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

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

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

539 Section 3. Subsection (2) of section 718.113, Florida
540 Statutes, is amended to read:

541 718.113 Maintenance; limitation upon improvement; display
542 of flag; hurricane shutters and protection; display of religious
543 decorations.—

544 (2) (a) Except as otherwise provided in this section, there
545 shall be no material alteration or substantial additions to the
546 common elements or to real property which is association
547 property, except in a manner provided in the declaration as
548 originally recorded or as amended under the procedures provided
549 therein. If the declaration as originally recorded or as amended
550 under the procedures provided therein does not specify the
551 procedure for approval of material alterations or substantial

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552 additions, 75 percent of the total voting interests of the
553 association must approve the alterations or additions before the
554 material alterations or substantial additions are commenced.

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

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

569 This subsection does not prohibit a provision in any
570 declaration, articles of incorporation, or bylaws as originally
571 recorded or as amended under the procedures provided therein
572 requiring the approval of unit owners in any condominium
573 operated by the same association or requiring board approval
574 before a material alteration or substantial addition to the
575 common elements is permitted. This paragraph is intended to
576 clarify existing law and applies to associations existing on the
577 effective date of this act.

578 (c) There shall not be any material alteration or
579 substantial addition made to association real property operated
580 by a multicondominium association, except as provided in the

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

592 Section 4. Section 718.707, Florida Statutes, is amended to
593 read:

594 718.707 Time limitation for classification as bulk assignee
595 or bulk buyer.—A person acquiring condominium parcels may not be
596 classified as a bulk assignee or bulk buyer unless the
597 condominium parcels were acquired on or after July 1, 2010, ~~but~~
598 ~~before July 1, 2018~~. The date of such acquisition shall be
599 determined by the date of recording a deed or other instrument
600 of conveyance for such parcels in the public records of the
601 county in which the condominium is located, or by the date of
602 issuing a certificate of title in a foreclosure proceeding with
603 respect to such condominium parcels.

604 Section 5. Paragraphs (a) and (b) of subsection (2) and
605 paragraph (c) of subsection (4) of section 719.104, Florida
606 Statutes, are amended to read:

607 719.104 Cooperatives; access to units; records; financial
608 reports; assessments; purchase of leases.—

609 (2) OFFICIAL RECORDS.—

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610 (a) From the inception of the association, the association
611 shall maintain a copy of each of the following, where
612 applicable, which shall constitute the official records of the
613 association:

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

616 2. A photocopy of the cooperative documents.

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

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

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

635 6. All current insurance policies of the association.

636 7. A current copy of any management agreement, lease, or
637 other contract to which the association is a party or under
638 which the association or the unit owners have an obligation or

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639 responsibility.

640 8. Bills of sale or transfer for all property owned by the
641 association.

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

647 a. Accurate, itemized, and detailed records of all receipts
648 and expenditures.

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

653 c. All audits, reviews, accounting statements, and
654 financial reports of the association.

655 d. All contracts for work to be performed. Bids for work to
656 be performed shall also be considered official records and shall
657 be maintained for a period of 1 year.

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

662 11. All rental records where the association is acting as
663 agent for the rental of units.

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

666 13. All other written records of the association not
667 specifically included in the foregoing which are related to the

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668 operation of the association.

669 (b) The official records of the association must be
670 maintained within the state for at least 7 years. The records of
671 the association shall be made available to a unit owner within
672 45 miles of the cooperative property or within the county in
673 which the cooperative property is located within 10 ~~5~~ working
674 days after receipt of written request by the board or its
675 designee. This paragraph may be complied with by having a copy
676 of the official records of the association available for
677 inspection or copying on the cooperative property or the
678 association may offer the option of making the records available
679 to a unit owner electronically via the Internet or by allowing
680 the records to be viewed in an electronic format on a computer
681 screen and printed upon request. The association is not
682 responsible for the use or misuse of the information provided to
683 an association member or his or her authorized representative
684 pursuant to the compliance requirements of this chapter unless
685 the association has an affirmative duty not to disclose such
686 information pursuant to this chapter.

687 (4) FINANCIAL REPORT.—

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

691 ~~2. An association in a community of fewer than 50 units,~~
692 ~~regardless of the association's annual revenues, shall prepare a~~
693 ~~report of cash receipts and expenditures in lieu of the~~
694 ~~financial statements required by paragraph (b), unless the~~
695 ~~declaration or other recorded governing documents provide~~
696 ~~otherwise.~~

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697 ~~2.3.~~ A report of cash receipts and expenditures must
698 disclose the amount of receipts by accounts and receipt
699 classifications and the amount of expenses by accounts and
700 expense classifications, including the following, as applicable:
701 costs for security, professional, and management fees and
702 expenses; taxes; costs for recreation facilities; expenses for
703 refuse collection and utility services; expenses for lawn care;
704 costs for building maintenance and repair; insurance costs;
705 administration and salary expenses; and reserves, if maintained
706 by the association.

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

709 719.1055 Amendment of cooperative documents; alteration and
710 acquisition of property.—

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

716 (a)1. Notwithstanding chapter 633, s. 509.215, s.
717 553.895(1), or any other code, statute, ordinance,
718 administrative rule, or regulation, or any interpretation of the
719 foregoing, an association ~~a cooperative~~ or unit owner is not
720 obligated to retrofit the common elements or units of a
721 residential cooperative with a fire sprinkler system or other
722 engineered lifesafety system in a building that is 75 feet or
723 less in height. There is no obligation to retrofit for a
724 building greater than 75 feet in height, calculated from the
725 lowest level of fire department vehicle access to the floor of

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726 ~~the highest occupiable story has been certified for occupancy by~~
727 ~~the applicable governmental entity~~ if the unit owners have voted
728 to forego such retrofitting by the affirmative vote of a
729 majority of all voting interests in the affected cooperative.
730 There is no requirement that owners in cooperatives of 75 feet
731 or less conduct an opt-out vote, and such cooperatives are
732 exempt from fire sprinkler or other engineered lifesafety
733 retrofitting. The preceding sentence is intended to clarify
734 existing law. The local authority having jurisdiction may not
735 require completion of retrofitting with a fire sprinkler system
736 or other engineered lifesafety system before January 1, 2022 ~~the~~
737 ~~end of 2019~~. By December 31, 2018 ~~2016~~, a cooperative that is
738 not in compliance with the requirements for a fire sprinkler
739 system or other engineered lifesafety system and has not voted
740 to forego retrofitting of such a system must initiate an
741 application for a building permit for the required installation
742 with the local government having jurisdiction demonstrating that
743 the cooperative will become compliant by December 31, 2021 ~~2019~~.

744 2. A vote to forego required retrofitting may be obtained
745 by limited proxy or by a ballot personally cast at a duly called
746 membership meeting, ~~or~~ by execution of a written consent by the
747 member, or by electronic voting, and is effective upon recording
748 a certificate executed by an officer or agent of the association
749 attesting to such vote in the public records of the county where
750 the cooperative is located. When the opt-out vote is to be
751 conducted at a meeting, the cooperative shall mail or ~~hand~~
752 deliver to each unit owner written notice at least 14 days
753 before the membership meeting in which the vote to forego
754 retrofitting of the required fire sprinkler system or other

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755 engineered lifesafety system is to take place. Within 30 days
756 after the cooperative's opt-out vote, notice of the results of
757 the opt-out vote must be mailed or ~~hand~~ delivered to all unit
758 owners. Evidence of compliance with this notice requirement must
759 be made by affidavit executed by the person providing the notice
760 and filed among the official records of the cooperative. Failure
761 to provide timely notice to unit owners does not invalidate an
762 otherwise valid opt-out vote if notice of the results is
763 provided to the owners ~~After notice is provided to each owner, a~~
764 ~~copy must be provided by the current owner to a new owner before~~
765 ~~closing and by a unit owner to a renter before signing a lease.~~

766 (b) If there has been a previous vote to forego
767 retrofitting, a vote to require retrofitting may be obtained at
768 a special meeting of the unit owners called by a petition of
769 least 10 percent of the voting interests or by a majority of the
770 board of directors. ~~Such vote may only be called once every 3~~
771 ~~years.~~ Notice must be provided as required for any regularly
772 called meeting of the unit owners, and the notice must state the
773 purpose of the meeting. ~~Electronic transmission may not be used~~
774 ~~to provide notice of a meeting called in whole or in part for~~
775 ~~this purpose.~~

776 (c) As part of the information collected annually from
777 cooperatives, the division shall require associations to report
778 the membership vote and recording of a certificate under this
779 subsection and, if retrofitting has been undertaken, the per-
780 unit cost of such work. The division shall annually report to
781 the Division of State Fire Marshal of the Department of
782 Financial Services the number of cooperatives that have elected
783 to forego retrofitting. Compliance with this administrative

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784 reporting requirement does not affect the validity of an opt-out
785 vote.

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

789 719.106 Bylaws; cooperative ownership.—

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

793 (a) *Administration.*—

794 1. The form of administration of the association shall be
795 described, indicating the titles of the officers and board of
796 administration and specifying the powers, duties, manner of
797 selection and removal, and compensation, if any, of officers and
798 board members. In the absence of such a provision, the board of
799 administration shall be composed of five members, except in the
800 case of cooperatives having five or fewer units, in which case
801 in not-for-profit corporations, the board shall consist of not
802 fewer than three members. In a residential cooperative
803 association of more than 10 units, coowners of a unit may not
804 serve as members of the board of directors at the same time
805 unless the coowners own more than one unit or unless there are
806 not enough eligible candidates to fill the vacancies on the
807 board at the time of the vacancy. In the absence of provisions
808 to the contrary, the board of administration shall have a
809 president, a secretary, and a treasurer, who shall perform the
810 duties of those offices customarily performed by officers of
811 corporations. Unless prohibited in the bylaws, the board of
812 administration may appoint other officers and grant them those

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813 duties it deems appropriate. Unless otherwise provided in the
814 bylaws, the officers shall serve without compensation and at the
815 pleasure of the board. Unless otherwise provided in the bylaws,
816 the members of the board shall serve without compensation.

817 2. A person who has been suspended or removed by the
818 division under this chapter, or who is delinquent in the payment
819 of any monetary obligation due to the association, is not
820 eligible to be a candidate for board membership and may not be
821 listed on the ballot. A director or officer charged by
822 information or indictment with a felony theft or embezzlement
823 offense involving the association's funds or property is
824 suspended from office. The board shall fill the vacancy
825 according to general law until the end of the period of the
826 suspension or the end of the director's term of office,
827 whichever occurs first. However, if the charges are resolved
828 without a finding of guilt or without acceptance of a plea of
829 guilty or nolo contendere, the director or officer shall be
830 reinstated for any remainder of his or her term of office. A
831 member who has such criminal charges pending may not be
832 appointed or elected to a position as a director or officer. A
833 person who has been convicted of any felony in this state or in
834 any United States District Court, or who has been convicted of
835 any offense in another jurisdiction which would be considered a
836 felony if committed in this state, is not eligible for board
837 membership unless such felon's civil rights have been restored
838 for at least 5 years as of the date such person seeks election
839 to the board. The validity of an action by the board is not
840 affected if it is later determined that a board member is
841 ineligible for board membership due to having been convicted of

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842 a felony.

843 3. When a unit owner files a written inquiry by certified
844 mail with the board of administration, the board shall respond
845 in writing to the unit owner within 30 days of receipt of the
846 inquiry. The board's response shall either give a substantive
847 response to the inquirer, notify the inquirer that a legal
848 opinion has been requested, or notify the inquirer that advice
849 has been requested from the division. If the board requests
850 advice from the division, the board shall, within 10 days of its
851 receipt of the advice, provide in writing a substantive response
852 to the inquirer. If a legal opinion is requested, the board
853 shall, within 60 days after the receipt of the inquiry, provide
854 in writing a substantive response to the inquirer. The failure
855 to provide a substantive response to the inquirer as provided
856 herein precludes the board from recovering attorney's fees and
857 costs in any subsequent litigation, administrative proceeding,
858 or arbitration arising out of the inquiry. The association may,
859 through its board of administration, adopt reasonable rules and
860 regulations regarding the frequency and manner of responding to
861 the unit owners' inquiries, one of which may be that the
862 association is obligated to respond to only one written inquiry
863 per unit in any given 30-day period. In such case, any
864 additional inquiry or inquiries must be responded to in the
865 subsequent 30-day period, or periods, as applicable.

866 (c) *Board of administration meetings.* ~~Members of the board~~
867 of administration may use e-mail as a means of communication but
868 may not cast a vote on an association matter via e-mail.

869 Meetings of the board of administration at which a quorum of the
870 members is present shall be open to all unit owners. Any unit

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871 owner may tape record or videotape meetings of the board of
872 administration. The right to attend such meetings includes the
873 right to speak at such meetings with reference to all designated
874 agenda items. The division shall adopt reasonable rules
875 governing the tape recording and videotaping of the meeting. The
876 association may adopt reasonable written rules governing the
877 frequency, duration, and manner of unit owner statements.
878 Adequate notice of all meetings shall be posted in a conspicuous
879 place upon the cooperative property at least 48 continuous hours
880 preceding the meeting, except in an emergency. Any item not
881 included on the notice may be taken up on an emergency basis by
882 at least a majority plus one of the members of the board. Such
883 emergency action shall be noticed and ratified at the next
884 regular meeting of the board. Notice of any meeting in which
885 regular or special assessments against unit owners are to be
886 considered must specifically state that assessments will be
887 considered and provide the estimated amount and description of
888 the purposes for such assessments. ~~However,~~ Written notice of
889 any meeting at which nonemergency special assessments, or at
890 which amendment to rules regarding unit use, will be considered
891 shall be mailed, delivered, or electronically transmitted to the
892 unit owners and posted conspicuously on the cooperative property
893 not less than 14 days before the meeting. Evidence of compliance
894 with this 14-day notice shall be made by an affidavit executed
895 by the person providing the notice and filed among the official
896 records of the association. Upon notice to the unit owners, the
897 board shall by duly adopted rule designate a specific location
898 on the cooperative property upon which all notices of board
899 meetings shall be posted. In lieu of or in addition to the

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900 physical posting of notice of any meeting of the board of
901 administration on the cooperative property, the association may,
902 by reasonable rule, adopt a procedure for conspicuously posting
903 and repeatedly broadcasting the notice and the agenda on a
904 closed-circuit cable television system serving the cooperative
905 association. However, if broadcast notice is used in lieu of a
906 notice posted physically on the cooperative property, the notice
907 and agenda must be broadcast at least four times every broadcast
908 hour of each day that a posted notice is otherwise required
909 under this section. When broadcast notice is provided, the
910 notice and agenda must be broadcast in a manner and for a
911 sufficient continuous length of time so as to allow an average
912 reader to observe the notice and read and comprehend the entire
913 content of the notice and the agenda. In addition to any of the
914 authorized means of providing notice of a meeting of the board,
915 the association may, by rule, adopt a procedure for
916 conspicuously posting the meeting notice and the agenda on a
917 website serving the cooperative association for at least the
918 minimum period of time for which a notice of a meeting is also
919 required to be physically posted on the cooperative property.
920 Any rule adopted shall, in addition to other matters, include a
921 requirement that the association send an electronic notice
922 providing a hypertext link to the website where the notice is
923 posted ~~Notice of any meeting in which regular assessments~~
924 ~~against unit owners are to be considered for any reason shall~~
925 ~~specifically contain a statement that assessments will be~~
926 ~~considered and the nature of any such assessments.~~ Meetings of a
927 committee to take final action on behalf of the board or to make
928 recommendations to the board regarding the association budget

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929 are subject to the provisions of this paragraph. Meetings of a
930 committee that does not take final action on behalf of the board
931 or make recommendations to the board regarding the association
932 budget are subject to the provisions of this section, unless
933 those meetings are exempted from this section by the bylaws of
934 the association. Notwithstanding any other law to the contrary,
935 the requirement that board meetings and committee meetings be
936 open to the unit owners does not apply to board or committee
937 meetings held for the purpose of discussing personnel matters or
938 meetings between the board or a committee and the association's
939 attorney, with respect to proposed or pending litigation, if the
940 meeting is held for the purpose of seeking or rendering legal
941 advice.

942 (m) Director or officer delinquencies.—A director or
943 officer more than 90 days delinquent in the payment of any
944 monetary obligation due the association shall be deemed to have
945 abandoned the office, creating a vacancy in the office to be
946 filled according to law.

947 Section 8. Paragraph (b) of subsection (1) of section
948 719.107, Florida Statutes, is amended to read:

949 719.107 Common expenses; assessment.—

950 (1)

951 (b) If so provided in the bylaws, the cost of a master
952 antenna television system or duly franchised cable television
953 service, communications services as defined in chapter 202,
954 information services, or Internet services obtained pursuant to
955 a bulk contract shall be deemed a common expense, and if not
956 obtained pursuant to a bulk contract, such cost shall be
957 considered common expense if it is designated as such in a

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958 written contract between the board of administration and the
959 company providing the master television antenna system or the
960 cable television service, communications services as defined in
961 chapter 202, information services, or Internet services. The
962 contract shall be for a term of not less than 2 years.

963 1. Any contract made by the board after April 2, 1992, for
964 a community antenna system or duly franchised cable television
965 service, communications services as defined in chapter 202,
966 information services, or Internet services may be canceled by a
967 majority of the voting interests present at the next regular or
968 special meeting of the association. Any member may make a motion
969 to cancel the contract, but if no motion is made or if such
970 motion fails to obtain the required majority at the next regular
971 or special meeting, whichever is sooner, following the making of
972 the contract, then such contract shall be deemed ratified for
973 the term therein expressed.

974 2. Any such contract shall provide, and shall be deemed to
975 provide if not expressly set forth, that any hearing impaired or
976 legally blind unit owner who does not occupy the unit with a
977 nonhearing impaired or sighted person may discontinue the
978 service without incurring disconnect fees, penalties, or
979 subsequent service charges, and as to such units, the owners
980 shall not be required to pay any common expenses charge related
981 to such service. If less than all members of an association
982 share the expenses of cable television, the expense shall be
983 shared equally by all participating unit owners. The association
984 may use the provisions of s. 719.108 to enforce payment of the
985 shares of such costs by the unit owners receiving cable
986 television.

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987 Section 9. Paragraphs (a) and (c) of subsection (2) and
988 subsection (7) of section 720.303, Florida Statutes, are
989 amended, and paragraph (i) is added to subsection (6) of that
990 section, to read:

991 720.303 Association powers and duties; meetings of board;
992 official records; budgets; budget meetings; financial reporting;
993 association funds; recalls.—

994 (2) BOARD MEETINGS.—

995 (a) Members of the board of administration may use e-mail
996 as a means of communication, but may not cast a vote on an
997 association matter via e-mail. A meeting of the board of
998 directors of an association occurs whenever a quorum of the
999 board gathers to conduct association business. Meetings of the
1000 board must be open to all members, except for meetings between
1001 the board and its attorney with respect to proposed or pending
1002 litigation where the contents of the discussion would otherwise
1003 be governed by the attorney-client privilege. A meeting of the
1004 board must be held at a location that is accessible to a
1005 physically handicapped person if requested by a physically
1006 handicapped person who has a right to attend the meeting. The
1007 provisions of this subsection shall also apply to the meetings
1008 of any committee or other similar body when a final decision
1009 will be made regarding the expenditure of association funds and
1010 to meetings of any body vested with the power to approve or
1011 disapprove architectural decisions with respect to a specific
1012 parcel of residential property owned by a member of the
1013 community.

1014 (c) The bylaws shall provide the following for giving
1015 notice to parcel owners and members of all board meetings and,

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1016 if they do not do so, shall be deemed to include ~~provide~~ the
1017 following:

1018 1. Notices of all board meetings must be posted in a
1019 conspicuous place in the community at least 48 hours in advance
1020 of a meeting, except in an emergency. In the alternative, if
1021 notice is not posted in a conspicuous place in the community,
1022 notice of each board meeting must be mailed or delivered to each
1023 member at least 7 days before the meeting, except in an
1024 emergency. Notwithstanding this general notice requirement, for
1025 communities with more than 100 members, the association bylaws
1026 may provide for a reasonable alternative to posting or mailing
1027 of notice for each board meeting, including publication of
1028 notice, provision of a schedule of board meetings, or the
1029 conspicuous posting and repeated broadcasting of the notice on a
1030 closed-circuit cable television system serving the homeowners'
1031 association. However, if broadcast notice is used in lieu of a
1032 notice posted physically in the community, the notice must be
1033 broadcast at least four times every broadcast hour of each day
1034 that a posted notice is otherwise required. When broadcast
1035 notice is provided, the notice and agenda must be broadcast in a
1036 manner and for a sufficient continuous length of time so as to
1037 allow an average reader to observe the notice and read and
1038 comprehend the entire content of the notice and the agenda. The
1039 association may provide notice by electronic transmission in a
1040 manner authorized by law for meetings of the board of directors,
1041 committee meetings requiring notice under this section, and
1042 annual and special meetings of the members to any member who has
1043 provided a facsimile number or e-mail address to the association
1044 to be used for such purposes; however, a member must consent in

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1045 writing to receiving notice by electronic transmission.

1046 2. An assessment may not be levied at a board meeting
1047 unless the notice of the meeting includes a statement that
1048 assessments will be considered and the nature of the
1049 assessments. Written notice of any meeting at which special
1050 assessments will be considered or at which amendments to rules
1051 regarding parcel use will be considered must be mailed,
1052 delivered, or electronically transmitted to the members and
1053 parcel owners and posted conspicuously on the property or
1054 broadcast on closed-circuit cable television not less than 14
1055 days before the meeting.

1056 3. Directors may not vote by proxy or by secret ballot at
1057 board meetings, except that secret ballots may be used in the
1058 election of officers. This subsection also applies to the
1059 meetings of any committee or other similar body, when a final
1060 decision will be made regarding the expenditure of association
1061 funds, and to any body vested with the power to approve or
1062 disapprove architectural decisions with respect to a specific
1063 parcel of residential property owned by a member of the
1064 community.

1065 (6) BUDGETS; BUDGET MEETINGS.—

1066 (i)1. If a board adopts in any fiscal year an annual budget
1067 that requires assessments against parcel owners which exceed 115
1068 percent of assessments for the preceding fiscal year, the board
1069 shall conduct a special meeting of the parcel owners to consider
1070 a substitute budget if the board receives, within 21 days after
1071 adoption of the annual budget, a written request for a special
1072 meeting from at least 10 percent of all voting interests. The
1073 special meeting shall be conducted within 60 days after adoption

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1074 of the annual budget. At least 14 days before such special
1075 meeting, the board shall hand deliver to each parcel owner, or
1076 mail to each parcel owner at the address last furnished to the
1077 association, a notice of the meeting. An officer or manager of
1078 the association, or other person providing notice of such
1079 meeting, shall execute an affidavit evidencing compliance with
1080 this notice requirement, and such affidavit shall be filed among
1081 the official records of the association. Parcel owners may
1082 consider and adopt a substitute budget at the special meeting. A
1083 substitute budget is adopted if approved by a majority of all
1084 voting interests unless the bylaws require adoption by a greater
1085 percentage of voting interests. If there is not a quorum at the
1086 special meeting or a substitute budget is not adopted, the
1087 annual budget previously adopted by the board shall take effect
1088 as scheduled.

1089 2. Any determination of whether assessments exceed 115
1090 percent of assessments for the prior fiscal year shall exclude
1091 any authorized provision for reasonable reserves for repair or
1092 replacement of the association property, anticipated expenses of
1093 the association which the board does not expect to be incurred
1094 on a regular or annual basis, or assessments for betterments to
1095 the condominium property.

1096 3. If the developer controls the board, assessments may not
1097 exceed 115 percent of assessments for the prior fiscal year
1098 unless approved by a majority of all voting interests.

1099 (7) FINANCIAL REPORTING.—Within 90 days after the end of
1100 the fiscal year, or annually on the date provided in the bylaws,
1101 the association shall prepare and complete, or contract with a
1102 third party for the preparation and completion of, a financial

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1103 report for the preceding fiscal year. Within 21 days after the
1104 final financial report is completed by the association or
1105 received from the third party, but not later than 120 days after
1106 the end of the fiscal year or other date as provided in the
1107 bylaws, the association shall, within the time limits set forth
1108 in subsection (5), provide each member with a copy of the annual
1109 financial report or a written notice that a copy of the
1110 financial report is available upon request at no charge to the
1111 member. Financial reports shall be prepared as follows:

1112 (a) An association that meets the criteria of this
1113 paragraph shall prepare or cause to be prepared a complete set
1114 of financial statements in accordance with generally accepted
1115 accounting principles as adopted by the Board of Accountancy.
1116 The financial statements shall be based upon the association's
1117 total annual revenues, as follows:

1118 1. An association with total annual revenues of \$150,000 or
1119 more, but less than \$300,000, shall prepare compiled financial
1120 statements.

1121 2. An association with total annual revenues of at least
1122 \$300,000, but less than \$500,000, shall prepare reviewed
1123 financial statements.

1124 3. An association with total annual revenues of \$500,000 or
1125 more shall prepare audited financial statements.

1126 (b)1. An association with total annual revenues of less
1127 than \$150,000 shall prepare a report of cash receipts and
1128 expenditures.

1129 ~~2. An association in a community of fewer than 50 parcels,~~
1130 ~~regardless of the association's annual revenues, may prepare a~~
1131 ~~report of cash receipts and expenditures in lieu of financial~~

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1132 ~~statements required by paragraph (a) unless the governing~~
1133 ~~documents provide otherwise.~~

1134 2.3. A report of cash receipts and disbursement must
1135 disclose the amount of receipts by accounts and receipt
1136 classifications and the amount of expenses by accounts and
1137 expense classifications, including, but not limited to, the
1138 following, as applicable: costs for security, professional, and
1139 management fees and expenses; taxes; costs for recreation
1140 facilities; expenses for refuse collection and utility services;
1141 expenses for lawn care; costs for building maintenance and
1142 repair; insurance costs; administration and salary expenses; and
1143 reserves if maintained by the association.

1144 (c) If 20 percent of the parcel owners petition the board
1145 for a level of financial reporting higher than that required by
1146 this section, the association shall duly notice and hold a
1147 meeting of members within 30 days of receipt of the petition for
1148 the purpose of voting on raising the level of reporting for that
1149 fiscal year. Upon approval of a majority of the total voting
1150 interests of the parcel owners, the association shall prepare or
1151 cause to be prepared, shall amend the budget or adopt a special
1152 assessment to pay for the financial report regardless of any
1153 provision to the contrary in the governing documents, and shall
1154 provide within 90 days of the meeting or the end of the fiscal
1155 year, whichever occurs later:

1156 1. Compiled, reviewed, or audited financial statements, if
1157 the association is otherwise required to prepare a report of
1158 cash receipts and expenditures;

1159 2. Reviewed or audited financial statements, if the
1160 association is otherwise required to prepare compiled financial

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1161 statements; or

1162 3. Audited financial statements if the association is
1163 otherwise required to prepare reviewed financial statements.

1164 (d) If approved by a majority of the voting interests
1165 present at a properly called meeting of the association, an
1166 association may prepare or cause to be prepared:

1167 1. A report of cash receipts and expenditures in lieu of a
1168 compiled, reviewed, or audited financial statement;

1169 2. A report of cash receipts and expenditures or a compiled
1170 financial statement in lieu of a reviewed or audited financial
1171 statement; or

1172 3. A report of cash receipts and expenditures, a compiled
1173 financial statement, or a reviewed financial statement in lieu
1174 of an audited financial statement.

1175 Section 10. Paragraph (a) of subsection (9) of section
1176 720.306, Florida Statutes, is amended to read:

1177 720.306 Meetings of members; voting and election
1178 procedures; amendments.—

1179 (9) ELECTIONS AND BOARD VACANCIES.—

1180 (a) Elections of directors must be conducted in accordance
1181 with the procedures set forth in the governing documents of the
1182 association. Except as provided in paragraph (b), all members of
1183 the association are eligible to serve on the board of directors,
1184 and a member may nominate himself or herself as a candidate for
1185 the board at a meeting where the election is to be held;
1186 provided, however, that if the election process allows
1187 candidates to be nominated in advance of the meeting, the
1188 association is not required to allow nominations at the meeting.
1189 An election is not required unless more candidates are nominated

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1190 than vacancies exist. If an election is not required because
1191 there are either an equal number or fewer qualified candidates
1192 than vacancies exist, and if nominations from the floor are not
1193 required pursuant to this section or the bylaws, write-in
1194 nominations are not permitted, and such candidates shall
1195 commence service on the board of directors, regardless of
1196 whether a quorum is attained at the annual meeting. Except as
1197 otherwise provided in the governing documents, boards of
1198 directors must be elected by a plurality of the votes cast by
1199 eligible voters. Any challenge to the election process must be
1200 commenced within 60 days after the election results are
1201 announced.

1202 Section 11. Paragraph (b) of subsection (3) of section
1203 720.3085, Florida Statutes, is amended to read:

1204 720.3085 Payment for assessments; lien claims.—

1205 (3) Assessments and installments on assessments that are
1206 not paid when due bear interest from the due date until paid at
1207 the rate provided in the declaration of covenants or the bylaws
1208 of the association, which rate may not exceed the rate allowed
1209 by law. If no rate is provided in the declaration or bylaws,
1210 interest accrues at the rate of 18 percent per year.

1211 (b) Any payment received by an association and accepted
1212 shall be applied first to any interest accrued, then to any
1213 administrative late fee, then to any costs and reasonable
1214 attorney fees incurred in collection, and then to the delinquent
1215 assessment. This paragraph applies notwithstanding any
1216 restrictive endorsement, designation, or instruction placed on
1217 or accompanying a payment. A late fee is not subject to the
1218 provisions of chapter 687 and is not a fine. The foregoing is

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1219 applicable notwithstanding s. 673.3111, any purported accord and
1220 satisfaction, or any restrictive endorsement, designation, or
1221 instruction placed on or accompanying a payment. The preceding
1222 sentence is intended to clarify existing law.

1223 Section 12. This act shall take effect July 1, 2017.