1	A bill to be entitled
2	An act relating to community associations; amending s.
3	194.011, F.S.; providing that certain associations may
4	represent, prosecute, or defend owners in certain
5	proceedings; providing applicability; requiring
6	specified notice be provided to unit or parcel owners
7	in a specified way; amending s. 194.181, F.S.;
8	providing and revising the parties considered as the
9	defendant in a tax suit; requiring certain notice to
10	be provided to unit owners in a specified way;
11	providing unit owners options for defending a tax
12	suit; imposing certain actions for unit owners who
13	fail to respond to a specified notice; amending s.
14	514.0115, F.S.; providing that certain property
15	association pools are exempt from Department of Health
16	regulations; amending s. 718.111, F.S.; providing that
17	a condominium association may take certain actions
18	relating to a challenge to ad valorem taxes in its own
19	name or on behalf of unit owners; providing
20	applicability; requiring an association to provide a
21	checklist to certain persons requesting records;
22	requiring that the checklist be signed by a specified
23	person or the association to provide an affidavit
24	attesting to the veracity of the checklist; providing
25	a timeframe for maintaining such checklist and
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26 affidavit; creating a rebuttable presumption; amending s. 718.501, F.S.; defining the term "financial issue"; 27 28 authorizing the Division of Condominiums, Timeshares, 29 and Mobile Homes to adopt rules; amending s. 720.306, 30 F.S.; providing that certain amendments to governing documents apply only to certain parcel owners; 31 32 providing exceptions; specifying that a change of 33 ownership does not occur under certain circumstances; defining the term "affiliated entity"; requiring an 34 35 affiliated entity to provide specified documents to an 36 association in order for a conveyance to be 37 recognized; providing an effective date. 38 39 Be It Enacted by the Legislature of the State of Florida: 40 41 Section 1. Paragraph (e) of subsection (3) of section 42 194.011, Florida Statutes, is amended to read: 43 194.011 Assessment notice; objections to assessments.-44 A petition to the value adjustment board must be in (3) 45 substantially the form prescribed by the department. 46 Notwithstanding s. 195.022, a county officer may not refuse to accept a form provided by the department for this purpose if the 47 taxpayer chooses to use it. A petition to the value adjustment 48 board must be signed by the taxpayer or be accompanied at the 49

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time of filing by the taxpayer's written authorization or power

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51 of attorney, unless the person filing the petition is listed in 52 s. 194.034(1)(a). A person listed in s. 194.034(1)(a) may file a 53 petition with a value adjustment board without the taxpayer's 54 signature or written authorization by certifying under penalty 55 of perjury that he or she has authorization to file the petition 56 on behalf of the taxpayer. If a taxpayer notifies the value 57 adjustment board that a petition has been filed for the 58 taxpayer's property without his or her consent, the value 59 adjustment board may require the person filing the petition to 60 provide written authorization from the taxpayer authorizing the person to proceed with the appeal before a hearing is held. If 61 62 the value adjustment board finds that a person listed in s. 194.034(1)(a) willfully and knowingly filed a petition that was 63 64 not authorized by the taxpayer, the value adjustment board shall 65 require such person to provide the taxpayer's written 66 authorization for representation to the value adjustment board 67 clerk before any petition filed by that person is heard, for 1 68 year after imposition of such requirement by the value 69 adjustment board. A power of attorney or written authorization 70 is valid for 1 assessment year, and a new power of attorney or 71 written authorization by the taxpayer is required for each 72 subsequent assessment year. A petition shall also describe the property by parcel number and shall be filed as follows: 73 74 (e)1. A condominium association, as defined in s. 718.103,

<u>a</u> cooperative association, as defined in s. 719.103, or any

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76 homeowners' association, as defined in s. 723.075, with approval 77 of its board of administration or directors, may file with the 78 value adjustment board a single joint petition on behalf of any 79 association members who own units or parcels of property which 80 the property appraiser determines are substantially similar with 81 respect to location, proximity to amenities, number of rooms, 82 living area, and condition. The condominium association, 83 cooperative association, or homeowners' association as defined in s. 723.075 shall provide the unit or parcel owners with 84 85 notice of its intent to petition the value adjustment board by hand delivery or certified mail, return receipt requested, 86 87 except that such notice may be electronically transmitted to a 88 unit or parcel owner who has expressly consented in writing to receiving such notices by electronic transmission. If the 89 90 association is a condominium or cooperative association, the 91 notice must also be posted conspicuously on the condominium or 92 cooperative property in the same manner as notice of board 93 meetings under ss. 718.112(2) and 719.106(1). Such notice must 94 and shall provide at least 20 days for a unit or parcel owner to 95 elect, in writing, that his or her unit or parcel not be 96 included in the petition. 97 2. A condominium association, as defined in s. 718.103, or 98 a cooperative association, as defined in s. 719.103, that has 99 filed a single joint petition under this subsection may continue 100 to represent, prosecute, and defend the unit owners through any

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101 related subsequent proceeding in any tribunal, including 102 judicial review under part II of this chapter and any appeals. 103 This subparagraph is intended to clarify existing law and 104 applies to cases pending on July 1, 2020. 105 Section 2. Subsection (2) of section 194.181, Florida 106 Statutes, is amended to read: 107 194.181 Parties to a tax suit.-108 (2) (a) In any case brought by a the taxpayer or a condominium or cooperative association, as defined in ss. 109 110 718.103 and 719.103 respectively, on behalf of some or all unit 111 owners, contesting the assessment of any property, the county 112 property appraiser is the shall be party defendant. 113 (b) In any case brought by the property appraiser under 114 pursuant to s. 194.036(1)(a) or (b), the taxpayer is the shall 115 be party defendant. 116 (c)1. In any case brought by the property appraiser under 117 s. 194.036(1)(a) or (b) concerning a value adjustment board decision on a single joint petition filed by a condominium or 118 119 cooperative association under s. 194.011(3), the association and 120 all unit owners included in the single joint petition are the 121 party defendants. 122 2. The condominium or cooperative association must provide unit owners with notice of its intent to respond to or answer 123 124 the property appraiser's complaint and advise the unit owners 125 that they may elect to:

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126 a. Retain their own counsel to defend the appeal; 127 b. Choose not to defend the appeal; or 128 c. Be represented together with other unit owners in the 129 response or answer filed by the association. 130 3. The notice required in subparagraph 2. must be hand 131 delivered or sent by certified mail, return receipt requested, 132 to the unit owners, except that such notice may be 133 electronically transmitted to a unit owner who has expressly 134 consented in writing to receiving such notices through 135 electronic transmission. Additionally, the notice must be posted 136 conspicuously on the condominium or cooperative property in the same manner as notice of board meetings under ss. 718.112(2) and 137 138 719.106(1). Any unit owner who does not respond to the 139 association's notice will be represented in the response or 140 answer filed by the association. In any case brought by the property appraiser under 141 (d) pursuant to s. 194.036(1)(c), the value adjustment board is the 142 143 shall be party defendant. 144 Section 3. Paragraph (a) of subsection (2) of section 514.0115, Florida Statutes, is amended to read: 145 146 514.0115 Exemptions from supervision or regulation; 147 variances.-(2) (a) Pools serving condominium, cooperative, and 148 homeowners' associations, as well as other property 149 150 associations, which have no more than 32 condominium or Page 6 of 22

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151 cooperative units <u>or parcels and</u> which are not operated as a 152 public lodging <u>establishments are</u> establishment shall be exempt 153 from supervision under this chapter, except for water quality. 154 Section 4. Paragraph (a) of subsection (1), subsection 155 (3), and paragraphs (a), (b), (c), and (f) of subsection (12) of 156 section 718.111, Florida Statutes, are amended to read:

157

718.111 The association.-

158

(1) CORPORATE ENTITY.-

The operation of the condominium shall be by the 159 (a) 160 association, which must be a Florida corporation for profit or a Florida corporation not for profit. However, any association 161 162 which was in existence on January 1, 1977, need not be incorporated. The owners of units shall be shareholders or 163 members of the association. The officers and directors of the 164 165 association have a fiduciary relationship to the unit owners. It 166 is the intent of the Legislature that nothing in this paragraph 167 shall be construed as providing for or removing a requirement of 168 a fiduciary relationship between any manager employed by the 169 association and the unit owners. An officer, director, or manager may not solicit, offer to accept, or accept any thing or 170 171 service of value or kickback for which consideration has not 172 been provided for his or her own benefit or that of his or her immediate family, from any person providing or proposing to 173 174 provide goods or services to the association. Any such officer, 175 director, or manager who knowingly so solicits, offers to

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176 accept, or accepts any thing or service of value or kickback is 177 subject to a civil penalty <u>under s. 718.501(2)(d)</u> pursuant to s. 178 718.501(1)(d) and, if applicable, a criminal penalty as provided 179 in paragraph (d). However, this paragraph does not prohibit an 180 officer, director, or manager from accepting services or items 181 received in connection with trade fairs or education programs. 182 An association may operate more than one condominium.

183 (3) POWER TO MANAGE CONDOMINIUM PROPERTY AND TO CONTRACT,184 SUE, AND BE SUED; CONFLICT OF INTEREST.—

185 <u>(a)</u> The association may contract, sue, or be sued with 186 respect to the exercise or nonexercise of its powers. For these 187 purposes, the powers of the association include, but are not 188 limited to, the maintenance, management, and operation of the 189 condominium property.

190 (b) After control of the association is obtained by unit 191 owners other than the developer, the association may:

192 1. Institute, maintain, settle, or appeal actions or 193 hearings in its name on behalf of all unit owners concerning 194 matters of common interest to most or all unit owners, 195 including, but not limited to, the common elements; the roof and 196 structural components of a building or other improvements; mechanical, electrical, and plumbing elements serving an 197 improvement or a building; representations of the developer 198 pertaining to any existing or proposed commonly used facilities; 199 200 2. Protest and protesting ad valorem taxes on commonly

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201 used facilities and on units; and may 202 Defend actions pertaining to ad valorem taxation of 3. 203 commonly used facilities or units or related to in eminent 204 domain; or 205 4. Bring inverse condemnation actions. 206 If the association has the authority to maintain a (C) 207 class action, the association may be joined in an action as 208 representative of that class with reference to litigation and 209 disputes involving the matters for which the association could 210 bring a class action. 211 The association, in its own name or on behalf of some (d) 212 or all unit owners, may institute, file, protest, maintain, or 213 defend any administrative challenge, lawsuit, appeal, or other 214 challenge to ad valorem taxes assessed on units for commonly 215 used facilities or common elements. The affected association 216 members are not necessary or indispensable parties to such 217 actions. This paragraph is intended to clarify existing law and 218 applies to cases pending on July 1, 2020. 219 Nothing herein limits any statutory or common-law (e) 220 right of any individual unit owner or class of unit owners to bring any action without participation by the association which 221 222 may otherwise be available. (f) An association may not hire an attorney who represents 223 224 the management company of the association. 225 (12) OFFICIAL RECORDS.-

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226 From the inception of the association, the association (a) 227 shall maintain each of the following items, if applicable, which 228 constitutes the official records of the association: A copy of the plans, permits, warranties, and other 229 1. items provided by the developer under pursuant to s. 718.301(4). 230 231 A photocopy of the recorded declaration of condominium 2. 232 of each condominium operated by the association and each 233 amendment to each declaration. 3. A photocopy of the recorded bylaws of the association 234 235 and each amendment to the bylaws. A certified copy of the articles of incorporation of 236 4. 237 the association, or other documents creating the association, 238 and each amendment thereto. 239 5. A copy of the current rules of the association. 240 6. A book or books that contain the minutes of all meetings of the association, the board of administration, and 241 242 the unit owners. 7. A current roster of all unit owners and their mailing 243 244 addresses, unit identifications, voting certifications, and, if 245 known, telephone numbers. The association shall also maintain 246 the e-mail addresses and facsimile numbers of unit owners 247 consenting to receive notice by electronic transmission. The email addresses and facsimile numbers are not accessible to unit 248 249 owners if consent to receive notice by electronic transmission is not provided in accordance with sub-subparagraph (c)3.e. 250 Page 10 of 22

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However, the association is not liable for an inadvertent disclosure of the e-mail address or facsimile number for receiving electronic transmission of notices.

8. All current insurance policies of the association andcondominiums operated by the association.

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

260 10. Bills of sale or transfer for all property owned by261 the association.

262 11. Accounting records for the association and separate 263 accounting records for each condominium that the association 264 operates. Any person who knowingly or intentionally defaces or 265 destroys such records, or who knowingly or intentionally fails 266 to create or maintain such records, with the intent of causing 267 harm to the association or one or more of its members, is 268 personally subject to a civil penalty under s. 718.501(2)(d) 269 pursuant to s. 718.501(1)(d). The accounting records must 270 include, but are not limited to:

a. Accurate, itemized, and detailed records of allreceipts and expenditures.

b. A current account and a monthly, bimonthly, or
quarterly statement of the account for each unit designating the
name of the unit owner, the due date and amount of each

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276 assessment, the amount paid on the account, and the balance due. 277 All audits, reviews, accounting statements, and с. 278 financial reports of the association or condominium. 279 All contracts for work to be performed. Bids for work d. 280 to be performed are also considered official records and must be 281 maintained by the association. Ballots, sign-in sheets, voting proxies, and all other 282 12. 283 papers and electronic records relating to voting by unit owners, which must be maintained for 1 year from the date of the 284 election, vote, or meeting to which the document relates, 285 notwithstanding paragraph (b). 286 287 13. All rental records if the association is acting as agent for the rental of condominium units. 288 289 14. A copy of the current question and answer sheet as 290 described in s. 718.504. 291 15. All other written records of the association not 292 specifically included in the foregoing which are related to the 293 operation of the association. 294 16. A copy of the inspection report as described in s. 295 718.301(4)(p). 296 17. Bids for materials, equipment, or services. 297 The official records specified in subparagraphs (a)1.-(b) 6. must be permanently maintained from the inception of the 298 association. All other official records must be maintained 299 300 within the state for at least 7 years, unless otherwise provided Page 12 of 22

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301 by general law. All official records must be maintained in a 302 manner and format determined by the division so that the records 303 are easily accessible for inspection. The records of the association shall be made available to a unit owner within 45 304 305 miles of the condominium property or within the county in which 306 the condominium property is located within 10 working days after 307 receipt of a written request by the board or its designee. 308 However, such distance requirement does not apply to an 309 association governing a timeshare condominium. This paragraph may be complied with by having a copy of the official records of 310 the association available for inspection or copying on the 311 312 condominium property or association property, or the association 313 may offer the option of making the records available to a unit 314 owner electronically via the Internet or by allowing the records 315 to be viewed in electronic format on a computer screen and printed upon request. The association is not responsible for the 316 317 use or misuse of the information provided to an association 318 member or his or her authorized representative pursuant to the 319 compliance requirements of this chapter unless the association 320 has an affirmative duty not to disclose such information 321 pursuant to this chapter.

(c)1. The official records of the association are open to inspection by any association member or the authorized representative of such member at all reasonable times. The right to inspect the records includes the right to make or obtain

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326 copies, at the reasonable expense, if any, of the member or 327 authorized representative of such member. A renter of a unit 328 only has a right to inspect and copy the declaration of 329 condominium and association's bylaws and rules. The association 330 must provide a checklist to the member or the authorized 331 representative of such member of all records that are made 332 available for inspection and copying in response to a written 333 request. If any or all of the association's official records are 334 not available, such records must be identified on the checklist 335 provided to the person requesting the records. The checklist 336 must be signed by a manager licensed under part VIII of chapter 337 468 certifying that the checklist is accurate to the best of his 338 or her knowledge and belief or the association must provide the 339 person requesting the records a sworn affidavit attesting to the veracity of the checklist executed by the person responding to 340 341 the written request on behalf of the association. The 342 association must maintain a copy of the checklist and affidavit, 343 if required, for at least 7 years. Delivery of the checklist and 344 affidavit, if required, to the person requesting the records 345 creates a rebuttable presumption that the association complied with this paragraph. The association may adopt reasonable rules 346 347 regarding the frequency, time, location, notice, and manner of record inspections and copying. The failure of an association to 348 provide the records within 10 working days after receipt of a 349 350 written request creates a rebuttable presumption that the

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351 association willfully failed to comply with this paragraph. A 352 unit owner who is denied access to official records is entitled 353 to the actual damages or minimum damages for the association's 354 willful failure to comply. Minimum damages are \$50 per calendar 355 day for up to 10 days, beginning on the 11th working day after 356 receipt of the written request. The failure to permit inspection 357 entitles any person prevailing in an enforcement action to 358 recover reasonable attorney fees from the person in control of 359 the records who, directly or indirectly, knowingly denied access 360 to the records.

361 Any person who knowingly or intentionally defaces or 2. 362 destroys accounting records that are required by this chapter to be maintained during the period for which such records are 363 364 required to be maintained, or who knowingly or intentionally 365 fails to create or maintain accounting records that are required 366 to be created or maintained, with the intent of causing harm to 367 the association or one or more of its members, is personally subject to a civil penalty under s. 718.501(2)(d) pursuant to s. 368 369 718.501(1)(d).

370 3. The association shall maintain an adequate number of 371 copies of the declaration, articles of incorporation, bylaws, 372 and rules, and all amendments to each of the foregoing, as well 373 as the question and answer sheet as described in s. 718.504 and 374 year-end financial information required under this section, on 375 the condominium property to ensure their availability to unit

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376 owners and prospective purchasers, and may charge its actual 377 costs for preparing and furnishing these documents to those 378 requesting the documents. An association shall allow a member or 379 his or her authorized representative to use a portable device, 380 including a smartphone, tablet, portable scanner, or any other 381 technology capable of scanning or taking photographs, to make an 382 electronic copy of the official records in lieu of the 383 association's providing the member or his or her authorized representative with a copy of such records. The association may 384 385 not charge a member or his or her authorized representative for 386 the use of a portable device. Notwithstanding this paragraph, 387 the following records are not accessible to unit owners:

388 Any record protected by the lawyer-client privilege as a. 389 described in s. 90.502 and any record protected by the work-390 product privilege, including a record prepared by an association 391 attorney or prepared at the attorney's express direction, which 392 reflects a mental impression, conclusion, litigation strategy, 393 or legal theory of the attorney or the association, and which 394 was prepared exclusively for civil or criminal litigation or for 395 adversarial administrative proceedings, or which was prepared in 396 anticipation of such litigation or proceedings until the 397 conclusion of the litigation or proceedings.

398 b. Information obtained by an association in connection
399 with the approval of the lease, sale, or other transfer of a
400 unit.

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

408

d. Medical records of unit owners.

Social security numbers, driver license numbers, credit 409 e. 410 card numbers, e-mail addresses, telephone numbers, facsimile numbers, emergency contact information, addresses of a unit 411 412 owner other than as provided to fulfill the association's notice requirements, and other personal identifying information of any 413 414 person, excluding the person's name, unit designation, mailing 415 address, property address, and any address, e-mail address, or 416 facsimile number provided to the association to fulfill the 417 association's notice requirements. Notwithstanding the 418 restrictions in this sub-subparagraph, an association may print 419 and distribute to unit parcel owners a directory containing the name, unit parcel address, and all telephone numbers of each 420 421 unit parcel owner. However, an owner may exclude his or her 422 telephone numbers from the directory by so requesting in writing to the association. An owner may consent in writing to the 423 disclosure of other contact information described in this sub-424 subparagraph. The association is not liable for the inadvertent 425

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426 disclosure of information that is protected under this sub-427 subparagraph if the information is included in an official 428 record of the association and is voluntarily provided by an 429 owner and not requested by the association.

f. Electronic security measures that are used by theassociation to safeguard data, including passwords.

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

(f) An outgoing board or committee member must relinquish 436 437 all official records and property of the association in his or her possession or under his or her control to the incoming board 438 439 within 5 days after the election. The division shall impose a 440 civil penalty as set forth in s. 718.501(2)(d)6. s. 718.501(1)(d)6. against an outgoing board or committee member 441 442 who willfully and knowingly fails to relinquish such records and 443 property.

Section 5. Subsections (1) and (2) of section 718.501, Florida Statutes, are renumbered as subsections (2) and (3), respectively, paragraphs (h) and (j) of present subsection (1) of that section are amended, and a new subsection (1) is added to that section, to read:

449 718.501 Authority, responsibility, and duties of Division
450 of Florida Condominiums, Timeshares, and Mobile Homes.-

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451 (1) As used in this section, the term "financial issue" 452 means an issue related to operating budgets; reserve schedules; 453 accounting records under s. 718.111(12)(a)11.; notices of 454 meetings; minutes of meetings discussing budget or financial issues; assessments for common expenses, fees, or fines; the 455 456 commingling of funds; and any other record necessary to 457 determine the revenues and expenses of the association. The 458 division may adopt rules to further define what a financial 459 issue is under this section and to adopt the checklist provided 460 for in s. 718.111(12)(c)1.

461 (2) (1) The division may enforce and ensure compliance with 462 the provisions of this chapter and rules relating to the 463 development, construction, sale, lease, ownership, operation, 464 and management of residential condominium units. In performing 465 its duties, the division has complete jurisdiction to 466 investigate complaints and enforce compliance with respect to 467 associations that are still under developer control or the 468 control of a bulk assignee or bulk buyer pursuant to part VII of 469 this chapter and complaints against developers, bulk assignees, 470 or bulk buyers involving improper turnover or failure to turnover, pursuant to s. 718.301. However, after turnover has 471 472 occurred, the division has jurisdiction to investigate complaints related only to financial issues, elections, and the 473 474 maintenance of and unit owner access to association records 475 under pursuant to s. 718.111(12).

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(h) The division shall furnish each association that pays
the fees required by <u>paragraph (3)(a)</u> paragraph (2)(a) a copy of
this chapter, as amended, and the rules adopted thereto on an
annual basis.

480 (ij) The division shall provide training and educational 481 programs for condominium association board members and unit 482 owners. The training may, in the division's discretion, include 483 web-based electronic media, and live training and seminars in 484 various locations throughout the state. The division may review 485 and approve education and training programs for board members 486 and unit owners offered by providers and shall maintain a 487 current list of approved programs and providers and make such list available to board members and unit owners in a reasonable 488 and cost-effective manner. The division may adopt rules to 489 490 establish requirements for the training and educational programs 491 required in this paragraph.

492 Section 6. Paragraph (h) is added to subsection (1) of 493 section 720.306, Florida Statutes, to read:

494 720.306 Meetings of members; voting and election 495 procedures; amendments.-

496

(1) QUORUM; AMENDMENTS.-

497 (h)1. Except as otherwise provided in this paragraph, an
 498 amendment to any governing document that is enacted after July
 499 1, 2020, that prohibits a parcel owner from renting the parcel,
 500 alters the authorized duration of a rental term, or specifies or

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503 504	owner who acquires title to the parcel after the effective date of the amendment, or to a parcel owner who consents,
505	individually or through a representative, to the amendment.
506	2. Notwithstanding subparagraph 1., an association may
507	amend its governing documents to prohibit or regulate rentals
508	for a term of less than 6 months and to prohibit rentals more
509	than three times in a calendar year, and such amendments shall
510	apply to all parcel owners.
511	3. This paragraph does not affect the amendment
512	restrictions for associations of 15 or fewer parcel owners under
513	<u>s. 720.303(1).</u>
514	4. For purposes of this paragraph, a change of ownership
515	does not occur when a parcel owner conveys the parcel to an
516	affiliated entity or when beneficial ownership of the parcel
517	does not change. For purposes of this subparagraph, the term
518	"affiliated entity" means an entity that controls, is controlled
519	by, or is under common control with the parcel owner or that
520	becomes a parent or successor entity by reason of transfer,
521	merger, consolidation, public offering, reorganization,
522	dissolution or sale of stock, or transfer of membership
523	partnership interests. For a conveyance to be recognized as one
524	made to an affiliated entity, the entity must furnish the
525	association a document certifying that this paragraph applies,

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526	as well as providing any organizational documents for the parcel
527	owner and the affiliated entity that support the representations
528	in the certificate, as requested by the association.
529	Section 7. This act shall take effect July 1, 2020.

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