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A bill to be entitled An act relating to community associations; amending s. 194.011, F.S.; providing that certain associations may represent, prosecute, or defend owners in certain proceedings; providing applicability; requiring specified notice be provided to unit or parcel owners in a specified way; specifying a timeframe for a unit or parcel owner to respond; amending s. 194.181, F.S.; providing and revising the parties considered as the defendant in a tax suit; requiring certain notice to be provided to unit or parcel owners in a specified way; providing unit or parcel owners options for defending a tax suit; specifying a timeframe for a unit or parcel owner to respond; imposing certain actions for unit or parcel owners who fail to respond to a specified notice; amending s. 514.0115, F.S.; providing that certain property association pools are exempt from Department of Health regulations; amending s. 553.77, F.S.; conforming a cross reference; amending s. 718.111, F.S.; providing that a condominium association may take certain actions relating to a challenge to ad valorem taxes in its own name or on behalf of unit owners; providing applicability; requiring an association to provide a checklist to certain persons requesting records;

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requiring that the checklist be signed by a specified person or the association to provide an affidavit attesting to the veracity of the checklist; providing a timeframe for maintaining such checklist and affidavit; creating a rebuttable presumption; amending s. 718.112, F.S.; revising the amount of the fee an association may charge for transfers; providing for the adjustment of the fee after a specified time; requiring the Department of Business and Professional Regulation to publish the fee on its website; amending s. 718.501, F.S.; defining the term "financial issue"; authorizing the Division of Condominiums, Timeshares, and Mobile Homes to adopt rules; amending s. 720.306, F.S.; providing that certain amendments to governing documents apply only to certain parcel owners; providing exceptions; specifying that a change of ownership does not occur under certain circumstances; defining the term "affiliated entity"; requiring an affiliated entity to provide specified documents to an association in order for a conveyance to be recognized; providing an effective date. Be It Enacted by the Legislature of the State of Florida:

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Section 1. Paragraph (e) of subsection (3) of section

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- 51 194.011, Florida Statutes, is amended to read: 52 194.011 Assessment notice; objections to assessments.—
 - A petition to the value adjustment board must be in substantially the form prescribed by the department. Notwithstanding s. 195.022, a county officer may not refuse to accept a form provided by the department for this purpose if the taxpayer chooses to use it. A petition to the value adjustment board must be signed by the taxpayer or be accompanied at the time of filing by the taxpayer's written authorization or power of attorney, unless the person filing the petition is listed in s. 194.034(1)(a). A person listed in s. 194.034(1)(a) may file a petition with a value adjustment board without the taxpayer's signature or written authorization by certifying under penalty of perjury that he or she has authorization to file the petition on behalf of the taxpayer. If a taxpayer notifies the value adjustment board that a petition has been filed for the taxpayer's property without his or her consent, the value adjustment board may require the person filing the petition to provide written authorization from the taxpayer authorizing the person to proceed with the appeal before a hearing is held. If the value adjustment board finds that a person listed in s. 194.034(1)(a) willfully and knowingly filed a petition that was not authorized by the taxpayer, the value adjustment board shall require such person to provide the taxpayer's written authorization for representation to the value adjustment board

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clerk before any petition filed by that person is heard, for 1 year after imposition of such requirement by the value adjustment board. A power of attorney or written authorization is valid for 1 assessment year, and a new power of attorney or written authorization by the taxpayer is required for each subsequent assessment year. A petition shall also describe the property by parcel number and shall be filed as follows:

(e) 1. A condominium association, as defined in s. 718.103, a cooperative association, as defined in s. 719.103, or any homeowners' association, as defined in s. 723.075, with approval of its board of administration or directors, may file with the value adjustment board a single joint petition on behalf of any association members who own units or parcels of property which the property appraiser determines are substantially similar with respect to location, proximity to amenities, number of rooms, living area, and condition. The condominium association, cooperative association, or homeowners' association as defined in s. 723.075 shall provide the unit or parcel owners with notice of its intent to petition the value adjustment board by hand delivery or certified mail, return receipt requested, except that such notice may be electronically transmitted to a unit or parcel owner who has expressly consented in writing to receiving notices by electronic transmission. If the association is a condominium or cooperative association, the notice must also be posted conspicuously on the condominium or cooperative

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- property in the same manner as notice of board meetings under ss. 718.112(2) and 719.106(1). Such notice must and shall provide at least 14 20 days for a unit or parcel owner to elect, in writing, that his or her unit or parcel not be included in the petition.
- 2. A condominium association, as defined in s. 718.103, a cooperative association, as defined in s. 719.103, or a homeowners' association, as defined in s. 723.075, that has filed a single joint petition under this subsection may continue to represent, prosecute, and defend the unit or parcel owners through any related subsequent proceeding in any tribunal, including judicial review under part II of this chapter and any appeals. This subparagraph is intended to clarify existing law and applies to cases pending on July 1, 2020.
- Section 2. Subsection (2) of section 194.181, Florida Statutes, is amended to read:
 - 194.181 Parties to a tax suit.—
- (2) (a) In any case brought by <u>a</u> the taxpayer or <u>a</u> condominium, cooperative, or homeowners' association, as defined in ss. 718.103, 719.103, and 723.075 respectively, on behalf of some or all unit or parcel owners, contesting the assessment of any property, the county property appraiser <u>is the</u> shall be party defendant.
- (b) In any case brought by the property appraiser <u>under</u> pursuant to s. 194.036(1)(a) or (b), the taxpayer <u>is the</u> shall

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126 be party defendant.

- (c)1. In any case brought by the property appraiser under s. 194.036(1)(a) or (b) concerning a value adjustment board decision on a single joint petition filed by a condominium, cooperative, or homeowners' association under s. 194.011(3), the association and all unit or parcel owners included in the single joint petition are the party defendants.
- 2. The condominium, cooperative, or homeowners'
 association must provide unit or parcel owners with notice of
 its intent to respond to or answer the property appraiser's
 complaint and advise the unit or parcel owners that they may
 elect to:
 - a. Retain their own counsel to defend the appeal;
 - b. Choose not to defend the appeal; or
- c. Be represented together with other unit or parcel owners by the association.
- 3. The notice required in subparagraph 2. must be hand delivered or sent by certified mail, return receipt requested, to the unit or parcel owners, except that such notice may be electronically transmitted to a unit or parcel owner who has expressly consented in writing to receiving notices through electronic transmission. Additionally, the notice must be posted conspicuously on the condominium or cooperative property, if applicable, in the same manner as notice of board meetings under ss. 718.112(2) and 719.106(1). The association must provide at

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151	least 14 days for a unit or parcel owner to respond to the
152	notice. Any unit or parcel owner who does not respond to the
153	association's notice will be represented by the association.
154	(d) In any case brought by the property appraiser under
155	$\frac{\text{pursuant to}}{\text{pursuant to}}$ s. 194.036(1)(c), the value adjustment board is the
156	shall be party defendant.
157	Section 3. Subsections (3) through (7) of section
158	514.0115, Florida Statutes, are renumbered as subsections (4)
159	through (8), respectively, and a new subsection (3) is added to
160	that section, to read:
161	514.0115 Exemptions from supervision or regulation;
162	variances.—
163	(3) Pools serving homeowners' associations and other
164	property associations which have no more than 32 units or
165	parcels and which are not operated as public lodging
166	establishments are exempt from supervision under this chapter,
167	except for water quality and ss. 514.0315, 514.05, and 514.06.
168	Section 4. Subsection (7) of section 553.77, Florida
169	Statutes, is amended to read:
170	553.77 Specific powers of the commission.—
171	(7) Building officials shall recognize and enforce
172	variance orders issued by the Department of Health $\underline{\text{under s.}}$
173	514.0115(8) pursuant to s. $514.0115(7)$, including any conditions
174	attached to the granting of the variance.

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Section 5. Paragraph (a) of subsection (1), subsection

CODING: Words stricken are deletions; words underlined are additions.

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- (3), and paragraphs (a), (b), (c), and (f) of subsection (12) of section 718.111, Florida Statutes, are amended to read:
 - 718.111 The association.-
 - (1) CORPORATE ENTITY.-
 - The operation of the condominium shall be by the association, which must be a Florida corporation for profit or a Florida corporation not for profit. However, any association which was in existence on January 1, 1977, need not be incorporated. The owners of units shall be shareholders or members of the association. The officers and directors of the association have a fiduciary relationship to the unit owners. It is the intent of the Legislature that nothing in this paragraph shall be construed as providing for or removing a requirement of a fiduciary relationship between any manager employed by the association and the unit owners. An officer, director, or manager may not solicit, offer to accept, or accept any thing or service of value or kickback for which consideration has not been provided for his or her own benefit or that of his or her immediate family, from any person providing or proposing to provide goods or services to the association. Any such officer, director, or manager who knowingly so solicits, offers to accept, or accepts any thing or service of value or kickback is subject to a civil penalty under s. 718.501(2)(d) pursuant to s. 718.501(1)(d) and, if applicable, a criminal penalty as provided in paragraph (d). However, this paragraph does not prohibit an

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officer, director, or manager from accepting services or items received in connection with trade fairs or education programs. An association may operate more than one condominium.

- (3) POWER TO MANAGE CONDOMINIUM PROPERTY AND TO CONTRACT, SUE, AND BE SUED; CONFLICT OF INTEREST.—
- (a) The association may contract, sue, or be sued with respect to the exercise or nonexercise of its powers. For these purposes, the powers of the association include, but are not limited to, the maintenance, management, and operation of the condominium property.
- (b) After control of the association is obtained by unit owners other than the developer, the association may:
- 1. Institute, maintain, settle, or appeal actions or hearings in its name on behalf of all unit owners concerning matters of common interest to most or all unit owners, including, but not limited to, the common elements; the roof and structural components of a building or other improvements; mechanical, electrical, and plumbing elements serving an improvement or a building; representations of the developer pertaining to any existing or proposed commonly used facilities;
- 2. Protest and protesting ad valorem taxes on commonly used facilities and on units; and may
- 3. Defend actions <u>pertaining to ad valorem taxation of commonly used facilities or units or related to in eminent domain; or </u>

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- 226 4. Bring inverse condemnation actions.
 - (c) If the association has the authority to maintain a class action, the association may be joined in an action as representative of that class with reference to litigation and disputes involving the matters for which the association could bring a class action.
 - (d) The association, in its own name or on behalf of some or all unit owners, may institute, file, protest, maintain, or defend any administrative challenge, lawsuit, appeal, or other challenge to ad valorem taxes assessed on units, commonly used facilities, or common elements. Other than as provided in s. 194.181(2)(c)1., the affected association members are not necessary or indispensable parties to such actions. This paragraph is intended to clarify existing law and applies to cases pending on July 1, 2020.
 - (e) Nothing herein limits any statutory or common-law right of any individual unit owner or class of unit owners to bring any action without participation by the association which may otherwise be available.
 - <u>(f)</u> An association may not hire an attorney who represents the management company of the association.
 - (12) OFFICIAL RECORDS.-
 - (a) From the inception of the association, the association shall maintain each of the following items, if applicable, which constitutes the official records of the association:

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- 1. A copy of the plans, permits, warranties, and other items provided by the developer under pursuant to s. 718.301(4).
 - 2. A photocopy of the recorded declaration of condominium of each condominium operated by the association and each amendment to each declaration.
 - 3. A photocopy of the recorded bylaws of the association and each amendment to the bylaws.
 - 4. A certified copy of the articles of incorporation of the association, or other documents creating the association, and each amendment thereto.
 - 5. A copy of the current rules of the association.
 - 6. A book or books that contain the minutes of all meetings of the association, the board of administration, and the unit owners.
 - 7. A current roster of all unit owners and their mailing addresses, unit identifications, voting certifications, and, if known, telephone numbers. The association shall also maintain the e-mail addresses and facsimile numbers of unit owners consenting to receive notice by electronic transmission. The e-mail addresses and facsimile numbers are not accessible to unit owners if consent to receive notice by electronic transmission is not provided in accordance with sub-subparagraph (c)3.e. However, the association is not liable for an inadvertent disclosure of the e-mail address or facsimile number for receiving electronic transmission of notices.

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- 8. All current insurance policies of the association and condominiums 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.
- 10. Bills of sale or transfer for all property owned by the association.
- 11. Accounting records for the association and separate accounting records for each condominium that the association operates. Any person who knowingly or intentionally defaces or destroys such records, or who knowingly or intentionally fails to create or maintain such records, with the intent of causing harm to the association or one or more of its members, is personally subject to a civil penalty <u>under s. 718.501(2)(d)</u> pursuant to s. 718.501(1)(d). The accounting records must include, but are not limited to:
- a. Accurate, itemized, and detailed records of all receipts 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 assessment, the amount paid on the account, and the balance due.
- c. All audits, reviews, accounting statements, and financial reports of the association or condominium.

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- d. All contracts for work to be performed. Bids for work to be performed are also considered official records and must be maintained by the association.
- 12. Ballots, sign-in sheets, voting proxies, and all other papers and electronic records relating to voting by unit owners, which must be maintained for 1 year from the date of the election, vote, or meeting to which the document relates, notwithstanding paragraph (b).
- 13. All rental records if the association is acting as agent for the rental of condominium units.
- 14. A copy of the current question and answer sheet as described in s. 718.504.
- 15. All other written records of the association not specifically included in the foregoing which are related to the operation of the association.
- 16. A copy of the inspection report as described in s. 718.301(4)(p).
 - 17. Bids for materials, equipment, or services.
 - (b) The official records specified in subparagraphs (a)1.6. must be permanently maintained from the inception of the association. All other official records must be maintained within the state for at least 7 years, unless otherwise provided by general law. All official records must be maintained in a manner and format determined by the division so that the records are easily accessible for inspection. The records of the

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association shall be made available to a unit owner within 45 miles of the condominium property or within the county in which the condominium property is located within 10 working days after receipt of a written request by the board or its designee. However, such distance requirement does not apply to an association governing a timeshare condominium. This paragraph may be complied with by having a copy of the official records of the association available for inspection or copying on the condominium property or association property, or the association may offer the option of making the records available to a unit owner electronically via the Internet or by allowing the records to be viewed in electronic format on a computer screen and printed upon request. The association is not responsible for the use or misuse of the information provided to an association member or his or her authorized representative pursuant to the compliance requirements of this chapter unless the association has an affirmative duty not to disclose such information 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 copies, at the reasonable expense, if any, of the member or authorized representative of such member. A renter of a unit only has a right to inspect and copy the declaration of

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condominium and association's bylaws and rules. The association must provide a checklist to the member or the authorized representative of such member of all records that are made available for inspection and copying in response to a written request. If any or all of the association's official records are not available, such records must be identified on the checklist provided to the person requesting the records. The checklist must be signed by a manager licensed under part VIII of chapter 468 certifying that the checklist is accurate to the best of his or her knowledge and belief or the association must provide the person requesting the records a sworn affidavit attesting to the veracity of the checklist executed by the person responding to the written request on behalf of the association. The association must maintain a copy of the checklist and affidavit, if required, for at least 7 years. Delivery of the checklist and affidavit, if required, to the person requesting the records creates a rebuttable presumption that the association complied with this paragraph. The association may adopt reasonable rules regarding the frequency, time, location, notice, and manner of record inspections and copying. The failure of an association to provide the records within 10 working days after receipt of a written request creates a rebuttable presumption that the association willfully failed to comply with this paragraph. A unit owner who is denied access to official records is entitled to the actual damages or minimum damages for the association's

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willful failure to comply. Minimum damages are \$50 per calendar day for up to 10 days, beginning on the 11th working day after receipt of the written request. The failure to permit inspection entitles any person prevailing in an enforcement action to recover reasonable attorney fees from the person in control of the records who, directly or indirectly, knowingly denied access to the records.

- 2. Any person who knowingly or intentionally defaces or destroys accounting records that are required by this chapter to be maintained during the period for which such records are required to be maintained, or who knowingly or intentionally fails to create or maintain accounting records that are required to be created or maintained, with the intent of causing harm to the association or one or more of its members, is personally subject to a civil penalty <u>under s. 718.501(2)(d)</u> <u>pursuant to s. 718.501(1)(d)</u>.
- 3. The association shall maintain an adequate number of copies of the declaration, articles of incorporation, bylaws, and rules, and all amendments to each of the foregoing, as well as the question and answer sheet as described in s. 718.504 and year-end financial information required under this section, on the condominium property to ensure their availability to unit owners and prospective purchasers, and may charge its actual costs for preparing and furnishing these documents to those requesting the documents. An association shall allow a member or

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his or her authorized representative to use a portable device, including a smartphone, tablet, portable scanner, or any other technology capable of scanning or taking photographs, to make an electronic copy of the official records in lieu of the association's providing the member or his or her authorized representative with a copy of such records. The association may not charge a member or his or her authorized representative for the use of a portable device. Notwithstanding this paragraph, the following records are not accessible to unit owners:

- a. Any record protected by the lawyer-client privilege as described in s. 90.502 and any record protected by the work-product privilege, including a record prepared by an association attorney or prepared at the attorney's express direction, which reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the association, and which was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings, or which was prepared in anticipation of such litigation or proceedings until the conclusion of the litigation or proceedings.
- b. Information obtained by an association in connection with the approval of the lease, sale, or other transfer of a unit.
- c. Personnel records of association or management company employees, including, but not limited to, disciplinary, payroll, health, and insurance records. For purposes of this sub-

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subparagraph, 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.

- d. Medical records of unit owners.
- Social security numbers, driver license numbers, credit card numbers, e-mail addresses, telephone numbers, facsimile numbers, emergency contact information, addresses of a unit owner other than as provided to fulfill the association's notice requirements, and other personal identifying information of any person, excluding the person's name, unit designation, mailing address, property address, and any address, e-mail address, or facsimile number provided to the association to fulfill the association's notice requirements. Notwithstanding the restrictions in this sub-subparagraph, an association may print and distribute to unit parcel owners a directory containing the name, unit parcel address, and all telephone numbers of each unit parcel owner. However, an owner may exclude his or her telephone numbers from the directory by so requesting in writing to the association. An owner may consent in writing to the disclosure of other contact information described in this subsubparagraph. The association is not liable for the inadvertent disclosure of information that is protected under this subsubparagraph if the information is included in an official record of the association and is voluntarily provided by an

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451 owner and not requested by the association.

- f. Electronic security measures that are used by the association 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 all official records and property of the association in his or her possession or under his or her control to the incoming board within 5 days after the election. The division shall impose a civil penalty as set forth in $\underline{s. 718.501(2)(d)6.}$ $\underline{s.}$ $\underline{718.501(1)(d)6.}$ against an outgoing board or committee member who willfully and knowingly fails to relinquish such records and property.

Section 6. Paragraph (i) of subsection (2) of section 718.112, Florida Statutes, is amended to read:

718.112 Bylaws.-

- (2) REQUIRED PROVISIONS.—The bylaws shall provide for the following and, if they do not do so, shall be deemed to include the following:
- (i) Transfer fees.—No charge shall be made by the association or any body thereof in connection with the sale, mortgage, lease, sublease, or other transfer of a unit unless the association is required to approve such transfer and a fee

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for such approval is provided for in the declaration, articles, or bylaws. Any such fee may be preset, but in no event may such fee exceed \$150 \$100 per applicant other than husband/wife or parent/dependent child, which are considered one applicant. However, if the lease or sublease is a renewal of a lease or sublease with the same lessee or sublessee, no charge shall be made. The fees specified in this paragraph shall be adjusted every 5 years in an amount equal to the total of the annual increases for that 5-year period in the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items. The Department of Business and Professional Regulation shall periodically calculate the fees, rounded to the nearest dollar, and publish the amounts, as adjusted, on its website. The Section 7. 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: 718.501 Authority, responsibility, and duties of Division of Florida Condominiums, Timeshares, and Mobile Homes.-(1) As used in this section, the term "financial issue" means an issue related to operating budgets; reserve schedules; accounting records under s. 718.111(12)(a)11.; notices of meetings; minutes of meetings discussing budget or financial issues; assessments for common expenses, fees, or fines; the

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commingling of funds; and any other record necessary to determine the revenues and expenses of the association. The division may adopt rules to further define what a financial issue is under this section and to adopt the checklist provided for in s. 718.111(12)(c)1.

- (2)(1) The division may enforce and ensure compliance with the provisions of this chapter and rules relating to the development, construction, sale, lease, ownership, operation, and management of residential condominium units. In performing its duties, the division has complete jurisdiction to investigate complaints and enforce compliance with respect to associations that are still under developer control or the control of a bulk assignee or bulk buyer pursuant to part VII of this chapter and complaints against developers, bulk assignees, or bulk buyers involving improper turnover or failure to turnover, pursuant to s. 718.301. However, after turnover has occurred, the division has jurisdiction to investigate complaints related only to financial issues, elections, and the maintenance of and unit owner access to association records under pursuant to s. 718.111(12).
- (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.
 - (j) The division shall provide training and educational

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programs for condominium association board members and unit owners. The training may, in the division's discretion, include web-based electronic media, and live training and seminars in various locations throughout the state. The division may review and approve education and training programs for board members and unit owners offered by providers and shall maintain a current list of approved programs and providers and make such list available to board members and unit owners in a reasonable and cost-effective manner. The division may adopt rules to establish requirements for the training and educational programs required in this paragraph.

Section 8. Paragraph (h) is added to subsection (1) of section 720.306, Florida Statutes, to read:

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

- (1) QUORUM; AMENDMENTS.-
- (h)1. Except as otherwise provided in this paragraph, an amendment to any governing document that is enacted after July 1, 2020, that prohibits a parcel owner from renting the parcel, alters the authorized duration of a rental term, or specifies or limits the number of times that a parcel owner may rent his or her parcel during a specified term, applies only to a parcel owner who acquires title to the parcel after the effective date of the amendment, or to a parcel owner who consents, individually or through a representative, to the amendment.

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- 2. Notwithstanding subparagraph 1., an association may amend its governing documents to prohibit or regulate rentals for a term of less than 6 months and to prohibit rentals more than three times in a calendar year, and such amendments shall apply to all parcel owners.
- 3. This paragraph does not affect the amendment restrictions for associations of 15 or fewer parcel owners under s. 720.303(1).
- 4. For purposes of this paragraph, a change of ownership does not occur when a parcel owner conveys the parcel to an affiliated entity or when beneficial ownership of the parcel does not change. For purposes of this subparagraph, the term "affiliated entity" means an entity that controls, is controlled by, or is under common control with the parcel owner or that becomes a parent or successor entity by reason of transfer, merger, consolidation, public offering, reorganization, dissolution or sale of stock, or transfer of membership partnership interests. For a conveyance to be recognized as one made to an affiliated entity, the entity must furnish the association a document certifying that this paragraph applies, as well as providing any organizational documents for the parcel owner and the affiliated entity that support the representations in the certificate, as requested by the association.

Section 9. This act shall take effect July 1, 2020.

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