1 A bill to be entitled 2 An act relating to homeowners' associations; amending 3 s. 720.301, F.S.; revising definitions; amending s. 4 720.302, F.S.; revising the purpose and scope of ch. 5 720, F.S.; providing legislative findings; requiring 6 the Office of the Condominium Ombudsman, upon 7 petition, to appoint a specified employee or attorney 8 to monitor the homeowners' association election of 9 directors; requiring that all costs for such 10 monitoring be borne by the association; requiring the 11 division to adopt rules and procedures; providing 12 applicability; creating s. 720.3025, F.S.; providing certain powers and authority to the division and local 13 14 law enforcement agencies; amending s. 720.303, F.S.; 15 prohibiting the suspension of a parcel owner's or 16 member's voting rights when voting on the recall of a board member; providing that any specified prior 17 suspensions have no effect for any recall; requiring a 18 recall agreement to be served on an association by 19 registered mail, rather than by certified mail or by 20 21 personal service; removing the requirement that a 22 board perform certain actions to either certify or not 23 certify the written ballots or written agreements to 24 recall a director of a board; providing construction; 25 requiring a board to duly notice and hold a meeting of

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the board within a specified timeframe after receipt of a recall agreement; providing that board members are recalled effective immediately upon the conclusion of a board meeting, provided the recall is facially valid; specifying the timeframe in which a recalled board member must return to the board specified property belonging to the association; providing that the board may reject a parcel owner's recall agreement under certain circumstances; providing a rebuttable presumption that a parcel owner executing the recall agreement is the designated voter for the parcel; prohibiting an association from enforcing a voting certificate requirement under certain circumstances; removing the provision that board members may be recalled and removed by a vote taken at a meeting; removing the provision that a special meeting may be convened to recall a director or directors of the board if called by a specified percentage of the voting interests; removing the prohibition against electronic transmission being used as a method of giving notice of such a meeting; removing the requirement that a board file an action with a court or file with the Department of Business and Professional Regulation a petition for binding arbitration within a specified timeframe if the board

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does not certify the written agreement or written ballots to recall a director; removing the provision that board members who voted at a meeting or who executed an agreement in writing constitute one party under the petition for arbitration or court action; removing the provision that a recall is effective upon the final order of the court or the mailing of the final order of arbitration to the association; requiring that recalled board members turn over specified property of the association to the board within a specified timeframe; revising the timeframe in which such petition or action must be filed; requiring that the association be named as the respondent in such petition or action; providing that a petition or action filed by a board member who has been recalled may challenge the facial validity of the recall agreement or the substantial compliance with the procedural requirements for a recall; requiring that a board member be reinstated and a recall be deemed null and void if an arbitrator or a court determines that a recall was invalid; providing that a prevailing party is entitled to recover reasonable attorney fees and costs if certain findings are made; amending s. 720.306, F.S.; removing the requirement that secret ballots cast by members who are not in

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attendance at a meeting be mailed or delivered to the association in a specified manner; removing the requirement that a valid ballot be cast once confirmed valid; removing the requirement that a ballot for a lot that has more than one ballot submitted be disqualified; removing the provision that any ballot received after the closing of the balloting may not be considered; removing the provision that a member may nominate himself or herself as a candidate for the board at a meeting where the election is held, provided certain conditions are met; requiring that board members be elected by written ballot or voting machine; prohibiting the use of proxies in electing the board in general elections or in elections to fill vacancies; requiring the association to mail, deliver, or electronically transmit, by separate association mailing or included in another association mailing, delivery, or electronic transmission, to each member entitled to vote a first notice of the date of the election a specified timeframe before the election; requiring a member intending to be a candidate for the board to give written notice of his or her intent a specified timeframe before the election; requiring the association to send a second notice of the election, with the written notice of the annual meeting and

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agenda, to all members entitled to vote, together with a ballot that lists all candidates; requiring that an information sheet be sent in the second notice at the request of a candidate; providing requirements for such information sheet; requiring that the candidate furnish the information sheet to the association within a specified timeframe; requiring the association to bear the costs of mailing, delivering, or electronically transmitting the information sheet; providing that the association is not liable for the content of the information sheet; authorizing the association to print the information sheet on both sides of the paper; requiring that elections be decided by a plurality of ballots cast; providing that there are no quorum requirements; providing an exception; prohibiting a member from authorizing any other person to cast his or her ballot; providing that any improperly cast ballots are invalid; providing penalties; authorizing a member who requires assistance to cast a ballot to seek such assistance; requiring the election to occur on the date of the annual meeting; providing that an election is not required unless more candidates file notices of intent to run or are nominated than there are vacancies on the board; providing that such candidates become board

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members upon the adjournment of the annual meeting under certain circumstances; providing applicability; requiring that a candidate for board membership be eligible at the time of the mailing, delivery, or electronic transmission of the candidate's notice of intent to be a candidate; prohibiting co-owners of a parcel from serving together; providing exceptions; removing the prohibition against write-in nominations being permitted under certain circumstances and that qualified candidates seeking nomination must commence their service on the board of directors, regardless of whether a quorum is attained at the annual meeting; removing the requirement that boards of directors be elected by a plurality of votes unless otherwise provided by the governing documents; removing the provision that any challenge to the election process be commenced within a specified timeframe after the election results are announced; providing that a person who is delinquent in the payment of any assessments is not eligible to be a candidate; providing that a director or an officer is delinquent if payment is not made by a specified due date identified in the declaration, bylaws, or articles of incorporation; providing that a payment is delinquent on the first day of the assessment period if no

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specified due date is in the declaration, bylaws, or articles of incorporation; removing the definition of the term "any fee, fine, or other monetary obligation"; providing that the terms of all board members expire at the annual meeting and that such board members may stand for reelection unless prohibited by the association's declaration, bylaws, or articles of incorporation, if certain conditions are met; amending s. 720.3086, F.S.; providing requirements for financial reporting by a private amenities owner; providing applicability; amending s. 720.311, F.S.; providing that a certain action filed be tried without a jury; providing that the parties are entitled to an immediate hearing; authorizing the court to limit the time for taking testimony; authorizing the party filing an action to request a temporary injunction for a certain purpose; authorizing a party to remove an action for arbitration and seek a trial de novo in circuit court; removing the requirement that the Department of Business and Professional Regulation adopt rules; requiring that an association be ordered, by judgment or decree, to pay a prevailing parcel owner's reasonable attorney fees and costs; providing that compensation or fees of an attorney may be included in

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176 the judgment or decree rendered in such action or in a 177 separate judgment or decree; prohibiting any other 178 recovery of attorney fees or costs, with an exception; amending s. 720.401, F.S.; requiring prospective 179 180 purchasers of a parcel subject to association 181 membership to be provided with certain documents, in 182 addition to the disclosure summary, before executing a 183 contract; authorizing prospective purchasers to cancel their contract within a specified timeframe under 184 185 certain circumstances; specifying that the 3-day 186 cancellation period does not include Saturdays, 187 Sundays, and legal holidays; reenacting ss. 188 720.3033(4)(b) and 720.405(6), F.S., relating to 189 officers and directors and organizing committee parcel 190 and parcel owner approval, respectively, to 191 incorporate the amendment made to s. 720.306, F.S., in 192 references thereto; creating part IV of ch. 720, F.S., 193 entitled "Recreational Covenants"; creating s. 194 720.408, F.S.; providing definitions; creating s. 195 720.409, F.S.; providing legislative findings; 196 providing the scope and applicability of the part; 197 creating s. 720.412, F.S.; providing requirements for 198 recreational covenants recorded on or after a 199 specified date; providing requirements for 200 recreational covenants recorded before a specified

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date; providing the maximum annual increase of amenity expenses for certain recreational covenants; authorizing a private amenities owner to increase amenity expenses under certain conditions; providing that a homeowners' association is not responsible for collecting or remitting amenity dues; prohibiting certain expenses and costs from being included as amenity expenses; providing that a parcel owner or the tenant of a parcel owner retains certain rights even if a recreational covenant is terminated or the private amenities owner suspends the use of the privately-owned recreational amenities; specifying that a recreational covenant is not a governing document of a homeowners' association; providing legislative intent; providing construction; creating s. 720.413, F.S.; requiring each contract entered into on or after a date certain for the sale of a residential parcel governed by a homeowners' association to include a specified disclosure summary; requiring a developer or parcel owner selling the parcel to provide such disclosure summary to a prospective purchaser; providing that a contract or agreement for sale of a parcel is voidable under certain circumstances; providing the method in which such contract or agreement is voidable; providing an

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226 effective date.

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

Section 1. Subsections (1), (8), and (10) of section 720.301, Florida Statutes, are amended to read:

720.301 Definitions.—As used in this chapter, the term:

- (1) "Assessment" or "amenity fee" means a sum or sums of money payable to the association, to the developer or other owner of common areas, or to recreational facilities and other properties serving the parcels by the owners of one or more parcels as authorized in the governing documents, which if not paid by the owner of a parcel, can result in a lien against the parcel by the association.
 - (8) (a) "Governing documents" means both of the following:
- 1.(a) Subject to paragraph (b), the recorded declaration of covenants for a community and all duly adopted and recorded amendments, supplements, and recorded exhibits thereto.; and
- 2.(b) The articles of incorporation and bylaws of the homeowners' association and any duly adopted amendments thereto.
- (b) Consistent with s. 720.302(3)(b), recreational covenants relating to privately-owned recreational amenities as set forth in part IV of this chapter may not be considered governing documents of an association, even if such recreational covenants are attached as exhibits to a declaration of covenants

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for a community. This paragraph is remedial in nature and intended to clarify existing law.

- (10) "Member" means a member of an association, and may include, but is not limited to, a parcel owner or an association representing parcel owners or a combination thereof, and includes any person or entity obligated by the governing documents to pay an assessment to the association or amenity fee.
- Section 2. Subsections (1) and (2) and paragraph (b) of subsection (3) of section 720.302, Florida Statutes, are amended to read:
 - 720.302 Purposes, scope, and application.-
- (1) (a) This chapter defines the property rights of individually owned and shared real property in a manner that is intended to protect and preserve the private property rights of the individual owners and the public policy of preserving environmental protections and public safety. This chapter creates standards for the preservation of property, including, but not limited to, the preservation of the taxable value of the property. This chapter is intended to create transparency of management of the property and the transferability of ownership interests in the property.
- (b) As a matter of public policy, any provision of a homeowners' association's declaration, as it is amended from time to time, that unreasonably impairs or restricts the

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transferability of real property owned individually, impairs the taxable value of the property, facilitates the creation of derelict properties at the end of the useful life of improvements to the property, or jeopardizes the safety and welfare of the occupants of the property are inconsistent with this chapter and deemed void as a matter of public policy. The declaration must require that the provisions of chapter 720 as it exists on the date of recording and as amended from time to time be adopted and included in the declaration. The purposes of this chapter are to give statutory recognition to corporations not for profit that operate residential communities in this state, to provide procedures for operating homeowners! associations, and to protect the rights of association members without unduly impairing the ability of such associations to perform their functions.

(2) (a) The Legislature recognizes that it is not in the best interest of homeowners' associations or the individual association members thereof to create or impose a bureau or other agency of state government to regulate the affairs of homeowners' associations. However, in accordance with s. 720.311, the Legislature finds that homeowners' associations and their individual members will benefit from an expedited alternative process for resolution of election and recall disputes and presuit mediation of other disputes involving covenant enforcement and authorizes the department to hear,

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administer, and determine these disputes as more fully set forth in this chapter. Further, the Legislature recognizes that certain contract rights have been created for the benefit of homeowners' associations and members thereof before the effective date of this act and that ss. 720.301-720.407 are not intended to impair such contract rights, including, but not limited to, the rights of the developer to complete the community as initially contemplated.

- (b) 1. Further, the Legislature finds that homeowners' associations and their individual members will benefit from oversight of the election of directors, and the Legislature authorizes the Office of the Condominium Ombudsman to appoint an election monitor to attend the annual meeting of the members and to conduct the election of directors.
- 2. Upon receipt of a petition of 10 percent of the total voting interests in the homeowners' association or eight members, whichever is greater, the ombudsman shall appoint a division employee, a person specializing in election monitoring, or an attorney licensed to practice in this state as the election monitor. All costs associated with the election monitoring process must be borne by the association. The division shall adopt rules establishing procedures for the appointment of such monitors, including the scope and extent of the monitors' role in the election process. This subparagraph does not apply to any election conducted in accordance with the

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- (3) This chapter does not apply to:
- (b) The commercial or industrial parcels or privatelyowned recreational amenities in a community that contains both residential parcels and parcels intended for commercial or industrial use. However, privately-owned recreational amenities are subject to and governed by s. 720.3086(2) and part IV of this chapter.
- Section 3. Section 720.3025, Florida Statutes, is created to read:
- 720.3025 Regulation.—Local law enforcement agencies have the authority to audit, inspect, and investigate homeowners' associations under this chapter.
- Section 4. Paragraphs (e) through (1) of subsection (10) of section 720.303, Florida Statutes, are redesignated as paragraphs (d) through (k), respectively, present paragraphs (a) through (d), (f), (g), (j), (k), and (l) of subsection (10) are amended, and paragraph (b) of subsection (4) of that section is republished to read:
- 720.303 Association powers and duties; meetings of board; official records; budgets; financial reporting; association funds; recalls.—
 - (4) OFFICIAL RECORDS. -
- 349 (b)1. By January 1, 2025, an association that has 100 or 350 more parcels shall post the following documents on its website

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or make available such documents through an application that can be downloaded on a mobile device:

- a. The articles of incorporation of the association and each amendment thereto.
- b. The recorded bylaws of the association and each amendment thereto.
- c. The declaration of covenants and a copy of each amendment thereto.
 - d. The current rules of the association.

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- e. A list of all current executory contracts or documents to which the association is a party or under which the association or the parcel owners have an obligation or responsibility and, after bidding for the related materials, equipment, or services has closed, a list of bids received by the association within the past year.
- f. The annual budget required by subsection (6) and any proposed budget to be considered at the annual meeting.
- g. The financial report required by subsection (7) and any monthly income or expense statement to be considered at a meeting.
 - h. The association's current insurance policies.
- i. The certification of each director as required by s. 720.3033(1)(a).
- j. All contracts or transactions between the association and any director, officer, corporation, firm, or association

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that is not an affiliated homeowners' association or any other entity in which a director of an association is also a director or an officer and has a financial interest.

- k. Any contract or document regarding a conflict of interest or possible conflict of interest as provided in ss. 468.436(2) (b) 6. and 720.3033(2).
- 1. Notice of any scheduled meeting of members and the agenda for the meeting, as required by s. 720.306, at least 14 days before such meeting. The notice must be posted in plain view on the homepage of the website or application, or on a separate subpage of the website or application labeled "Notices" which is conspicuously visible and linked from the homepage. The association shall also post on its website or application any document to be considered and voted on by the members during the meeting or any document listed on the meeting agenda at least 7 days before the meeting at which such document or information within the document will be considered.
- m. Notice of any board meeting, the agenda, and any other document required for such meeting as required by subsection (3), which must be posted on the website or application no later than the date required for notice under subsection (3).
- 2. The association's website or application must be accessible through the Internet and must contain a subpage, web portal, or other protected electronic location that is inaccessible to the general public and accessible only to parcel

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401 owners and employees of the association.

- 3. Upon written request by a parcel owner, the association must provide the parcel owner with a username and password and access to the protected sections of the association's website or application which contains the official documents of the association.
- 4. The association shall ensure that the information and records described in paragraph (5)(g), which are not allowed to be accessible to parcel owners, are not posted on the association's website or application. If protected information or information restricted from being accessible to parcel owners is included in documents that are required to be posted on the association's website or application, the association must ensure the information is redacted before posting the documents. Notwithstanding the foregoing, the association or its authorized agent is not liable for disclosing information that is protected or restricted under paragraph (5)(g) unless such disclosure was made with a knowing or intentional disregard of the protected or restricted nature of such information.
 - (10) RECALL OF DIRECTORS.
- (a)1. Regardless of any provision to the contrary contained in the governing documents, subject to the provisions of s. 720.307 regarding transition of association control, any member of the board of directors may be recalled and removed from office with or without cause by a majority of the total

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voting interests. The voting rights of a parcel owner or member may not be suspended when voting on the recall of a board director, and any prior suspension of voting rights pursuant to s. 720.305(4) shall have no effect on a recall vote.

- 2. When the governing documents, including the declaration, articles of incorporation, or bylaws, provide that only a specific class of members is entitled to elect a board director or directors, only that class of members may vote to recall those board directors so elected.
- (b)1. Board directors may be recalled by an agreement in writing or by written ballot without a membership meeting. The recall agreement in writing or the written ballots, or a copy thereof, must shall be served on the association by registered certified mail or by personal service in the manner authorized by chapter 48 and the Florida Rules of Civil Procedure.
- 2. The board shall duly notice and hold a meeting of the board within 5 full business days after receipt of the agreement in writing or written ballots. At the meeting, the board shall either certify the written ballots or written agreement to recall a director or directors of the board, in which case such director or directors shall be recalled effective immediately and shall turn over to the board within 5 full business days any and all records and property of the association in their possession, or proceed as described in paragraph (d).
 - 2. If 3. When it is determined by the department pursuant

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to binding arbitration proceedings or the court in an action filed in a court of competent jurisdiction that an initial recall effort was defective, written recall agreements or written ballots used in the first recall effort and not found to be defective may be reused in one subsequent recall effort. However, in no event is a recall written agreement or written ballot valid for more than 120 days after it has been signed by the member.

- 3.4. Any rescission or revocation of a member's written recall ballot or agreement must be in writing and, in order to be effective, must be delivered to the association before the association is served with the written recall agreements or ballots. This subparagraph must be liberally construed to ensure a parcel owner is not disenfranchised by an association in a recall and to prevent an association from failing to certify a recall agreement on a technical omission playing no part in the discharge of a parcel owner's voting rights.
- 4.5. The <u>recall</u> agreement in writing or ballot <u>must</u> shall list at least as many possible replacement directors as there are directors subject to the recall, when at least a majority of the board is sought to be recalled; the person executing the recall instrument may vote for as many replacement candidates as there are directors subject to the recall.
- (c)1. The board shall duly notice and hold a meeting of the board within 5 business days after receipt of the recall

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agreement. The board member or members are recalled effective immediately upon the conclusion of the board meeting, provided that the recall is facially valid. A recalled member must return to the board all records and property of the association in his or her possession within 10 business days after being recalled.

- 2. A parcel owner's recall agreement is facially invalid and may be rejected by the board if:
- a. The parcel owner failed to properly serve notice of the recall agreement;
- b. The recall agreement was executed by a person who was not a parcel's record owner or designated voter;
- c. The recall agreement was marked before the removal of a board member;
- d. The recall agreement does not contain any marking indicating the selection by the parcel owner to either remove or retain a board member; or
- e. The recall agreement does not contain the signature of the parcel owner or designated voter.
- 3. There is a rebuttable presumption that a parcel owner executing the recall agreement is the designated voter for the parcel. An association may not enforce a voting certificate requirement if the association has not enforced such requirement in all matters in the year immediately preceding service of the recall agreement If the declaration, articles of incorporation, or bylaws specifically provide, the members may also recall and

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remove a board director or directors by a vote taken at a meeting. If so provided in the governing documents, a special meeting of the members to recall a director or directors of the board of administration may be called by 10 percent of the voting interests giving notice of the meeting as required for a meeting of members, and the notice shall state the purpose of the meeting. Electronic transmission may not be used as a method of giving notice of a meeting called in whole or in part for this purpose.

2. The board shall duly notice and hold a board meeting within 5 full business days after the adjournment of the member meeting to recall one or more directors. At the meeting, the board shall certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the board within 5 full business days any and all records and property of the association in their possession, or shall proceed as set forth in paragraph (d).

(d) If the board determines not to certify the written agreement or written ballots to recall a director or directors of the board or does not certify the recall by a vote at a meeting, the board shall, within 5 full business days after the meeting, file an action with a court of competent jurisdiction or file with the department a petition for binding arbitration under the applicable procedures in ss. 718.112(2)(1) and 718.1255 and the rules adopted thereunder. For the purposes of

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this section, the members who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration or in a court action. If the arbitrator or court certifies the recall as to any director or directors of the board, the recall will be effective upon the final order of the court or the mailing of the final order of arbitration to the association. The director or directors so recalled shall deliver to the board any and all records of the association in their possession within 5 full business days after the effective date of the recall.

(d) (f) If the board fails to duly notice and hold a board meeting within 5 full business days after service of a recall an agreement in writing or within 5 full business days after the adjournment of the member recall meeting, the recall is shall be deemed effective and the board member or members directors so recalled must shall immediately turn over to the board all records and property of the association within 10 full business days.

(e) (g) If the board fails to duly notice and hold the required meeting or at the conclusion of the meeting the board determines that the recall is facially invalid fails to file the required petition or action, the parcel owner representative may file a petition or a court action under s. 718.1255 or file an action in a court of competent jurisdiction challenging the board's failure to act or determination that the recall is

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<u>invalid</u>. The petition or <u>court</u> action must be filed within <u>30</u> 60 days after the expiration of the applicable 5-full-business-day period. The review of a petition or <u>court</u> action under this paragraph is limited to the sufficiency of service on the board and the facial validity of the <u>recall</u> written agreement or <u>ballots filed</u>. The association must be named as the respondent.

<u>(f)</u> When the recall of more than one board <u>member</u> director is sought, the <u>recall</u> written agreement <u>must</u>, ballot, or vote at a meeting shall provide for a separate vote for each board member director sought to be recalled.

(g) (k) A board member who has been recalled may file an action with a court of competent jurisdiction or a petition under ss. 718.112(2)(1) and 718.1255 and the rules adopted challenging the validity of the recall. The petition or court action must be filed within 45 60 days after the recall is deemed certified. The association and the parcel owner representative must shall be named as respondents. The petition or the court action may challenge the facial validity of the recall agreement or the substantial compliance with the procedural requirements for the recall. If the arbitrator or the court determines that the recall was invalid, the arbitrator or the court must immediately reinstate the petitioning board member and deem the recall null and void. A board member who prevails is entitled to recover reasonable attorney fees and costs from the respondents. The arbitrator or the court may

award reasonable attorney fees and costs to a respondent if they prevail, provided the arbitrator or the court makes a finding that the petitioner's claim is frivolous.

<u>(h) (1)</u> The division or a court of competent jurisdiction may not accept for filing a recall petition or action, whether filed under paragraph (e) or paragraph (g) (b), paragraph (c), paragraph (g), or paragraph (k) and regardless of whether the recall was certified, when there are 60 or fewer days until the scheduled reelection of the board member sought to be recalled or when 45 60 or fewer days have not elapsed since the election of the board member sought to be recalled.

Section 5. Subsections (8) and (9) of section 720.306, Florida Statutes, are amended, and paragraph (g) of subsection (1) of that section is republished, to read:

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

(1) QUORUM; AMENDMENTS.—

- (g) A notice required under this section must be mailed or delivered to the address identified as the parcel owner's mailing address in the official records of the association as required under s. 720.303(4), or electronically transmitted in a manner authorized by the association if the parcel owner has consented, in writing, to receive notice by electronic transmission.
 - (8) PROXY VOTING.—The members have the right, unless

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otherwise provided in this subsection or in the governing documents, to vote in person or by proxy.

(a) To be valid, a proxy must be dated, must state the date, time, and place of the meeting for which it was given, and must be signed by the authorized person who executed the proxy. A proxy is effective only for the specific meeting for which it was originally given, as the meeting may lawfully be adjourned and reconvened from time to time, and automatically expires 90 days after the date of the meeting for which it was originally given. A proxy is revocable at any time at the pleasure of the person who executes it. If the proxy form expressly so provides, any proxy holder may appoint, in writing, a substitute to act in his or her place.

(b) If the governing documents permit voting by secret ballot by members who are not in attendance at a meeting of the members for the election of directors, such ballots must be placed in an inner envelope with no identifying markings and mailed or delivered to the association in an outer envelope bearing identifying information reflecting the name of the member, the lot or parcel for which the vote is being cast, and the signature of the lot or parcel owner casting that ballot. If the eligibility of the member to vote is confirmed and no other ballot has been submitted for that lot or parcel, the inner envelope shall be removed from the outer envelope bearing the identification information, placed with the ballots which were

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personally cast, and opened when the ballots are counted. If
more than one ballot is submitted for a lot or parcel, the
ballots for that lot or parcel shall be disqualified. Any vote
by ballot received after the closing of the balloting may not be
considered.

(9) ELECTIONS AND BOARD VACANCIES.-

- (a) Elections of directors must be conducted in accordance with the procedures set forth in this subsection the governing documents of the association. Except as provided in paragraph (b), all members of the association are eligible to serve on the board of directors, and a member may nominate himself or herself as a candidate for the board at a meeting where the election is to be held; provided, however, that if the election process allows candidates to be nominated in advance of the meeting, the association is not required to allow nominations at the meeting. An election is not required unless more candidates are nominated than vacancies exist.
- 1. The members of the board must be elected by written ballot or voting machine. Proxies may not be used in electing the board in general elections or in elections to fill vacancies caused by recall, resignation, or otherwise.
- 2. At least 60 days before a scheduled election, the association must mail, deliver, or electronically transmit, by separate association mailing or included in another association mailing, delivery, or electronic transmission, including

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regularly published newsletters, to each member entitled to vote
a first notice of the date of the election.

- 3. A member intending to be a candidate for the board must give written notice of his or her intent to be a candidate to the association at least 40 days before the scheduled election.
- 4. Together with the written notice of the annual meeting and agenda, the association must mail, deliver, or electronically transmit a second notice of the election to all members entitled to vote, together with a ballot that lists all candidates.
- 5. Upon the request of a candidate, an information sheet must also be made available for the mailed, delivered, or electronically transmitted second notice of the election. Such information sheet may not be larger than 8 1/2 by 11 inches. The candidate must furnish the information sheet to the association no later than 35 days before the election. The association shall bear the costs of mailing, delivering, or electronically transmitting the information sheet. The association is not liable for the content of the information sheet. In order to reduce costs, the association may print or duplicate the information sheets on both sides of the paper.
- 6. Elections must be decided by a plurality of ballots cast. There are no quorum requirements; however, at least 20 percent of the eligible voters must cast a ballot in order to have a valid election. A member may not authorize any other

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person to cast his or her ballot, and any ballot improperly cast is deemed invalid. A member who violates this subparagraph may be fined by the association under s. 720.305.

- 7. A member who requires assistance in casting a ballot may seek such assistance as prescribed under s. 101.051.
- 8. The election must occur on the date of the annual meeting.

- 9. Notwithstanding this paragraph, an election is not required unless more candidates file notices of intent to run or are nominated than there are vacancies on the board. If the number of board members whose terms expire at the annual meeting equals or exceeds the number of candidates, the candidates become board members effective upon the adjournment of the annual meeting.
- 10. This paragraph applies to all elections for directors where the process for the election is scheduled to commence on or after October 1, 2025.
- membership must be eligible to be a candidate to serve on the board at the time of the mailing, delivery, or electronic transmission of a notice of intent to be a candidate. Co-owners of a parcel may not serve together as members of the board unless they own more than one parcel, or unless there are not enough eligible candidates to fill the vacancies on the board at the time of the vacancy If an election is not required because

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

assessment due to the association is not eligible to be a candidate for board membership any fee, fine, or other monetary obligation to the association on the day that he or she could last nominate himself or herself or be nominated for the board may not seek election to the board, and his or her name may shall not be listed on the ballot. A person serving as a board member who becomes more than 90 days delinquent in the payment of any assessment due to the association is fee, fine, or other monetary obligation to the association shall be deemed to have abandoned his or her seat on the board, creating a vacancy on the board to be filled according to law. For purposes of this paragraph, a person is delinquent if a payment is not made by the due date as specifically identified by the declaration,

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bylaws, or articles of incorporation. If a due date is not specifically identified by the declaration, bylaws, or articles of incorporation, the due date is the first day of the assessment period the term "any fee, fine, or other monetary obligation" means any delinquency to the association with respect to any parcel. A person who has been convicted of any felony in this state or in a United States District or Territorial Court, or has been convicted of any offense in another jurisdiction which would be considered a felony if committed in this state, may not seek election to the board and is not eligible for board membership unless such felon's civil rights have been restored for at least 5 years as of the date on which such person seeks election to the board. The validity of any action by the board is not affected if it is later determined that a person was ineligible to seek election to the board or that a member of the board is ineligible for board membership.

- (c) Any election dispute between a member and an association must be submitted to binding arbitration with the division or filed with a court of competent jurisdiction. Such proceedings that are submitted to binding arbitration with the division must be conducted in the manner provided by s. 718.1255 and the procedural rules adopted by the division.
- (d) Unless otherwise provided in the bylaws, any vacancy occurring on the board before the expiration of a term may be

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filled by an affirmative vote of the majority of the remaining directors, even if the remaining directors constitute less than a quorum, or by the sole remaining director. In the alternative, a board may hold an election to fill the vacancy, in which case the election procedures must conform to the requirements of the governing documents. Unless otherwise provided in the bylaws, a board member appointed or elected under this section is appointed for the unexpired term of the seat being filled. Filling vacancies created by recall is governed by s. 720.303(10) and rules adopted by the division.

(e) If the staggered term of a board member does not expire until a later annual meeting, or if all the members' terms would otherwise expire but there are no eligible candidates, the terms of all board members must expire at the annual meeting, and such members may stand for reelection unless prohibited by the declaration, bylaws, or articles of incorporation.

Section 6. Section 720.3086, Florida Statutes, is amended to read:

720.3086 Financial report.

(1) In a residential subdivision in which the owners of lots or parcels must pay mandatory maintenance or <u>use amenity</u> fees to the subdivision developer or to the owners of the common areas, recreational facilities, and other properties serving the lots or parcels, the developer or owner of such areas,

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facilities, or properties shall make public, within 60 days after following the end of each fiscal year, a complete financial report of the actual, total receipts of mandatory maintenance or use amenity fees received by it, and an itemized listing of the expenditures made by it from such fees, for that year. Such report must shall be made public by mailing it to each lot or parcel owner in the subdivision, by publishing it in a publication regularly distributed within the subdivision, or by posting it in prominent locations in the subdivision. This subsection section does not apply to:

- (a) Amounts paid to homeowner associations pursuant to chapter 617, chapter 718, chapter 719, chapter 721, or chapter 723; \cdot , or to
- (b) Amounts paid to local governmental entities, including special districts; or
- (c) Amounts paid to a private amenities owner. Amounts paid to private amenities owners are governed by subsection (2).
- (2) In a residential subdivision in which a parcel owner must pay amenity dues owed to a private amenities owner, the private amenities owner shall make public, within 60 days after the end of each fiscal year, a complete financial report of the actual, total receipts of amenity dues received by the owner and an itemized list of the expenditures the owner made with respect to operational costs, expenses, or other amounts expended with respect to the operation of the privately-owned recreational

amenities for that fiscal year. The private amenities owner must make the financial report available for inspection upon written request from a parcel owner within the applicable subdivision.

Such report must be made public to each parcel owner who is subject to the payment of the amenity dues by publishing a notice of the report's availability for inspection in a publication regularly distributed within the subdivision or by posting a notice in a prominent location in the subdivision, including in a prominent location within the privately-owned recreational amenities or other such properties. This subsection does not apply to:

- (a) Assessments or other amounts paid to homeowners' associations pursuant to chapter 617, chapter 718, chapter 719, chapter 721, or chapter 723; or
- (b) Amounts paid to local governmental entities, including special districts.
- Section 7. Subsection (1) and paragraphs (a) and (c) of subsection (2) of section 720.311, Florida Statutes, are amended, and subsection (3) is added to that section, to read:
 - 720.311 Dispute resolution.-

(1) (a) The Legislature finds that alternative dispute resolution has made progress in reducing court dockets and trials and in offering a more efficient, cost-effective option to litigation. The filing of any petition for arbitration or the serving of a demand for presuit mediation as provided for in

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this section shall toll the applicable statute of limitations. Any recall dispute filed with the department under s. 720.303(10) must shall be conducted by the department in accordance with the provisions of ss. 718.112(2)(1) and 718.1255 and the rules adopted by the division. In addition, the department shall conduct binding arbitration of election disputes between a member and an association in accordance with s. 718.1255 and rules adopted by the division. Election disputes and recall disputes are not eligible for presuit mediation; these disputes must be arbitrated by the department or filed in a court of competent jurisdiction. At the conclusion of an arbitration proceeding, the department shall charge the parties a fee in an amount adequate to cover all costs and expenses incurred by the department in conducting the proceeding. Initially, the petitioner shall remit a filing fee of at least \$200 to the department. The fees paid to the department shall become a recoverable cost in the arbitration proceeding, and the prevailing party in an arbitration proceeding shall recover its reasonable costs and attorney fees in an amount found reasonable by the arbitrator.

(b) Any action filed pursuant to this section must be tried without a jury. The parties are entitled to an immediate hearing. However, the court may limit the time for taking testimony, considering the circumstances of the matter and the proximity of any succeeding election. Upon the division or the

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court rendering a judgment or decree against an association and in favor of a parcel owner, the division or the court shall award to the parcel owner reasonable attorney fees and costs incurred in the action. When so awarded, compensation or fees and costs of the attorney may be included in the judgment or decree rendered in the action or in a separate judgment or decree. The party filing an action under this section may request the issuance of a temporary injunction to stay any upcoming election that may occur while the challenge is pending. The department shall adopt rules to effectuate the purposes of this section.

(2) (a) Disputes between an association and a parcel owner regarding use of or changes to the parcel or the common areas and other covenant enforcement disputes, disputes regarding amendments to the association documents, disputes regarding meetings of the board and committees appointed by the board, membership meetings not including election meetings, and access to the official records of the association shall be the subject of a demand for presuit mediation served by an aggrieved party before the dispute is filed in court. Presuit mediation proceedings must be conducted in accordance with the applicable Florida Rules of Civil Procedure, and these proceedings are privileged and confidential to the same extent as court-ordered mediation. Disputes subject to presuit mediation under this section shall not include the collection of any assessment,

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fine, or other financial obligation, including attorney attorney's fees and costs, claimed to be due or any action to enforce a prior mediation settlement agreement between the parties. Also, in any dispute subject to presuit mediation under this section where emergency relief is required, a motion for temporary injunctive relief may be filed with the court without first complying with the presuit mediation requirements of this section. After any issues regarding emergency or temporary relief are resolved, the court may either refer the parties to a mediation program administered by the courts or require mediation under this section. An arbitrator or judge may not consider any information or evidence arising from the presuit mediation proceeding except in a proceeding to impose sanctions for failure to attend a presuit mediation session or to enforce a mediated settlement agreement. Persons who are not parties to the dispute may not attend the presuit mediation conference without the consent of all parties, except for counsel for the parties and a corporate representative designated by the association. When mediation is attended by a quorum of the board, such mediation is not a board meeting for purposes of notice and participation set forth in s. 720.303. An aggrieved party shall serve on the responding party a written demand to participate in presuit mediation in substantially the following form:

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901	STATUTORY OFFER TO PARTICIPATE
902	IN PRESUIT MEDIATION
903	
904	The alleged aggrieved party,, hereby
905	demands that, as the responding
906	party, engage in mandatory presuit mediation in
907	connection with the following disputes, which by
908	statute are of a type that are subject to presuit
909	mediation:
910	
911	(List specific nature of the dispute or disputes to be
912	mediated and the authority supporting a finding of a
913	violation as to each dispute.)
914	
915	Pursuant to section 720.311, Florida Statutes, this
916	demand to resolve the dispute through presuit
917	mediation is required before a lawsuit can be filed
918	concerning the dispute. Pursuant to the statute, the
919	parties are required to engage in presuit mediation
920	with a neutral third-party mediator in order to
921	attempt to resolve this dispute without court action,
922	and the aggrieved party demands that you likewise
923	agree to this process. If you fail to participate in
924	the mediation process, suit may be brought against you
925	without further warning.

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The process of mediation involves a supervised negotiation process in which a trained, neutral third-party mediator meets with both parties and assists them in exploring possible opportunities for resolving part or all of the dispute. By agreeing to participate in presuit mediation, you are not bound in any way to change your position. Furthermore, the mediator has no authority to make any decisions in this matter or to determine who is right or wrong and merely acts as a facilitator to ensure that each party understands the position of the other party and that all options for reasonable settlement are fully explored.

If an agreement is reached, it shall be reduced to writing and becomes a binding and enforceable commitment of the parties. A resolution of one or more disputes in this fashion avoids the need to litigate these issues in court. The failure to reach an agreement, or the failure of a party to participate in the process, results in the mediator declaring an impasse in the mediation, after which the aggrieved party may proceed to court on all outstanding, unsettled disputes. If you have failed or refused to participate in the entire mediation process, you will

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not be entitled to recover attorney attorney's fees,

952 even if you prevail. 953 954 The aggrieved party has selected and hereby lists five 955 certified mediators who we believe to be neutral and 956 qualified to mediate the dispute. You have the right 957 to select any one of these mediators. The fact that 958 one party may be familiar with one or more of the 959 listed mediators does not mean that the mediator 960 cannot act as a neutral and impartial facilitator. Any 961 mediator who cannot act in this capacity is required 962 ethically to decline to accept engagement. The 963 mediators that we suggest, and their current hourly 964 rates, are as follows: 965 966 (List the names, addresses, telephone numbers, and

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(List the names, addresses, telephone numbers, and hourly rates of the mediators. Other pertinent information about the background of the mediators may be included as an attachment.)

You may contact the offices of these mediators to confirm that the listed mediators will be neutral and will not show any favoritism toward either party. The Florida Supreme Court can provide you a list of certified mediators.

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976 977 Unless otherwise agreed by the parties, section 978 720.311(2)(b), Florida Statutes, requires that the 979 parties share the costs of presuit mediation equally, 980 including the fee charged by the mediator. An average 981 mediation may require three to four hours of the 982 mediator's time, including some preparation time, and 983 the parties would need to share equally the mediator's fees as well as their own attorney attorney's fees if 984 985 they choose to employ an attorney in connection with 986 the mediation. However, use of an attorney is not 987 required and is at the option of each party. The 988 mediators may require the advance payment of some or 989 all of the anticipated fees. The aggrieved party hereby agrees to pay or prepay one-half of the 990 991 mediator's estimated fees and to forward this amount 992 or such other reasonable advance deposits as the 993 mediator requires for this purpose. Any funds 994 deposited will be returned to you if these are in 995 excess of your share of the fees incurred. 996 997 To begin your participation in presuit mediation to 998 try to resolve the dispute and avoid further legal 999 action, please sign below and clearly indicate which 1000 mediator is acceptable to you. We will then ask the

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1001	mediator to schedule a mutually convenient time and
1002	place for the mediation conference to be held. The
1003	mediation conference must be held within ninety (90)
1004	days of this date, unless extended by mutual written
1005	agreement. In the event that you fail to respond
1006	within 20 days from the date of this letter, or if you
1007	fail to agree to at least one of the mediators that we
1008	have suggested or to pay or prepay to the mediator
1009	one-half of the costs involved, the aggrieved party
1010	will be authorized to proceed with the filing of a
1011	lawsuit against you without further notice and may
1012	seek an award of attorney attorney's fees or costs
1013	incurred in attempting to obtain mediation.
1014	
1015	Therefore, please give this matter your immediate
1016	attention. By law, your response must be mailed by
1017	certified mail, return receipt requested, and by
1018	first-class mail to the address shown on this demand.
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1023	RESPONDING PARTY: YOUR SIGNATURE INDICATES YOUR
1024	AGREEMENT TO THAT CHOICE.
1025	

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1026	AGREEMENT TO MEDIATE
1027	
1028	The undersigned hereby agrees to participate in
1029	presuit mediation and agrees to attend a mediation
1030	conducted by the following mediator or mediators who
1031	are listed above as someone who would be acceptable to
1032	mediate this dispute:
1033	
1034	(List acceptable mediator or mediators.)
1035	
1036	I/we further agree to pay or prepay one-half of the
1037	mediator's fees and to forward such advance deposits
1038	as the mediator may require for this purpose.
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1041	Signature of responding party #1
1042	
1043	
1044	Telephone contact information
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1047	Signature and telephone contact information of
1048	responding party #2 (if applicable)(if property is
1049	owned by more than one person, all owners must sign)
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CODING: Words $\frac{\text{stricken}}{\text{stricken}}$ are deletions; words $\frac{\text{underlined}}{\text{ore additions}}$ are additions.

(c) If presuit mediation as described in paragraph (a) is
not successful in resolving all issues between the parties, the
parties may file the unresolved dispute in a court of competent
jurisdiction or elect to enter into binding or nonbinding
arbitration pursuant to the procedures set forth in s. 718.1255
and rules adopted by the division, with the arbitration
proceeding to be conducted by a department arbitrator or by a
private arbitrator certified by the department. If all parties
do not agree to arbitration proceedings following an
unsuccessful presuit mediation, any party may file the dispute
in court. A final order resulting from nonbinding arbitration is
final and enforceable in the courts if a complaint for trial de
novo is not filed in a court of competent jurisdiction within 30
days after entry of the order. As to any issue or dispute that
is not resolved at presuit mediation, and as to any issue that
is settled at presuit mediation but is thereafter subject to an
action seeking enforcement of the mediation settlement, the
prevailing party in any subsequent arbitration or litigation
proceeding shall be entitled to seek recovery of all costs and
attorney attorney's fees incurred in the presuit mediation
process.

(3) Upon the mediator or the court rendering a judgment or decree against an association and in favor of a parcel owner, the mediator or the court shall award to the parcel owner reasonable attorney fees and costs incurred in the action.

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1076	Attorney fees or costs relating to an action for the recall of a
1077	director may only be awarded as provided in this subsection or
1078	as awarded as a sanction pursuant to s. 57.105.
1079	Section 8. Subsection (1) of section 720.401, Florida
1080	Statutes, is amended to read:
1081	720.401 Prospective purchasers subject to association
1082	membership requirement; disclosure required; covenants;
1083	assessments; contract cancellation
1084	(1)(a) A prospective <u>purchaser</u> parcel owner in a community
1085	must be presented a disclosure summary before executing the
1086	contract for sale. The disclosure summary must be in a form
1087	substantially similar to the following form:
1088	DISCLOSURE SUMMARY
1089	FOR
1090	(NAME OF COMMUNITY)
1091	1. AS A PURCHASER OF PROPERTY IN THIS COMMUNITY, YOU WILL
1092	BE OBLIGATED TO BE A MEMBER OF A HOMEOWNERS' ASSOCIATION.
1093	2. THERE HAVE BEEN OR WILL BE RECORDED RESTRICTIVE
1094	COVENANTS GOVERNING THE USE AND OCCUPANCY OF PROPERTIES IN THIS
1095	COMMUNITY.
1096	3. YOU WILL BE OBLIGATED TO PAY ASSESSMENTS TO THE
1097	ASSOCIATION. ASSESSMENTS MAY BE SUBJECT TO PERIODIC CHANGE. IF
1098	APPLICABLE, THE CURRENT AMOUNT IS \$ PER YOU WILL ALSO
1099	BE OBLIGATED TO PAY ANY SPECIAL ASSESSMENTS IMPOSED BY THE
1100	ASSOCIATION. SUCH SPECIAL ASSESSMENTS MAY BE SUBJECT TO CHANGE.

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1101 IF APPLICABLE, THE CURRENT AMOUNT IS \$.... PER

- 4. YOU MAY BE OBLIGATED TO PAY SPECIAL ASSESSMENTS TO THE
 RESPECTIVE MUNICIPALITY, COUNTY, OR SPECIAL DISTRICT. ALL
 ASSESSMENTS ARE SUBJECT TO PERIODIC CHANGE.
 - 5. YOUR FAILURE TO PAY SPECIAL ASSESSMENTS OR ASSESSMENTS LEVIED BY A MANDATORY HOMEOWNERS' ASSOCIATION COULD RESULT IN A LIEN ON YOUR PROPERTY.
 - 6. THERE MAY BE AN OBLIGATION TO PAY RENT OR LAND USE FEES FOR RECREATIONAL OR OTHER COMMONLY USED FACILITIES AS AN OBLIGATION OF MEMBERSHIP IN THE HOMEOWNERS' ASSOCIATION. IF APPLICABLE, THE CURRENT AMOUNT IS \$.... PER
 - 7. THE DEVELOPER MAY HAVE THE RIGHT TO AMEND THE RESTRICTIVE COVENANTS WITHOUT THE APPROVAL OF THE ASSOCIATION MEMBERSHIP OR THE APPROVAL OF THE PARCEL OWNERS.
 - 8. THE STATEMENTS CONTAINED IN THIS DISCLOSURE FORM ARE ONLY SUMMARY IN NATURE, AND, AS A PROSPECTIVE PURCHASER, YOU SHOULD REFER TO THE COVENANTS AND THE ASSOCIATION GOVERNING DOCUMENTS BEFORE PURCHASING PROPERTY.
 - 9. YOU ACKNOWLEDGE THAT YOU ARE ENTITLED TO RECEIVE A
 CURRENT COPY OF THE ASSOCIATION'S BYLAWS, ARTICLES OF
 INCORPORATION, DECLARATION OF RESTRICTIONS, RULES AND
 REGULATIONS, NOTICES PERTAINING TO SPECIAL ASSESSMENTS, THE MOST
 RECENT FINANCIAL STATEMENTS, AND THE AGENDAS AND MINUTES FROM
 ALL ASSOCIATION BOARD MEETINGS THAT TOOK PLACE IN THE 12 MONTHS
 IMMEDIATELY PRECEDING THE EXECUTION OF THE CONTRACT FOR SALE

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1126 THESE DOCUMENTS ARE EITHER MATTERS OF PUBLIC RECORD AND CAN BE
1127 OBTAINED FROM THE RECORD OFFICE IN THE COUNTY WHERE THE PROPERTY
1128 IS LOCATED, OR ARE NOT RECORDED AND CAN BE OBTAINED FROM THE
1129 DEVELOPER.

1130 DATE: PURCHASER:

1131 PURCHASER:

The disclosure <u>summary</u> must be supplied by the developer, or by the parcel owner if the sale is by an owner that is not the developer. Any contract or agreement for sale <u>must shall</u> refer to and incorporate the disclosure summary and <u>shall</u> include, in prominent language, a statement that the <u>prospective purchaser</u> potential buyer should not execute the contract or agreement until <u>he or she has they have</u> received and read the disclosure summary required by this section.

(b) Each contract entered into for the sale of property governed by covenants subject to disclosure required by this section must contain in conspicuous type a clause that states: IF THE DISCLOSURE SUMMARY; A CURRENT COPY OF THE ASSOCIATION'S BYLAWS, ARTICLES OF INCORPORATION, DECLARATION OF RESTRICTIONS, RULES AND REGULATIONS, NOTICES PERTAINING TO SPECIAL ASSESSMENTS, AND MOST RECENT FINANCIAL STATEMENTS; AND THE AGENDAS AND MINUTES FROM ALL ASSOCIATION BOARD MEETINGS THAT TOOK PLACE IN THE 12 MONTHS IMMEDIATELY PRECEDING THE EXECUTION OF THIS CONTRACT, AS REQUIRED BY SECTION 720.401, FLORIDA STATUTES, HAVE HAS NOT BEEN PROVIDED TO THE PROSPECTIVE

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PURCHASER BEFORE EXECUTING THIS CONTRACT FOR SALE, THIS CONTRACT IS VOIDABLE BY THE PROSPECTIVE PURCHASER BUYER BY DELIVERING TO THE SELLER OR THE SELLER'S AGENT OR REPRESENTATIVE WRITTEN NOTICE OF THE PROSPECTIVE PURCHASER'S BUYER'S INTENTION TO CANCEL WITHIN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER RECEIPT OF SUCH DOCUMENTS OR BEFORE THE DISCLOSURE SUMMARY OR PRIOR TO CLOSING, WHICHEVER OCCURS FIRST. ANY PURPORTED WAIVER OF THIS VOIDABILITY RIGHT HAS NO EFFECT. THE PROSPECTIVE PURCHASER'S BUYER'S RIGHT TO VOID THIS CONTRACT TERMINATES SHALL TERMINATE AT CLOSING.

association's bylaws, articles of incorporation, declaration of restrictions, rules and regulations, notices pertaining to special assessments, and most recent financial statements; and the agendas and minutes from all association board meetings that took place in the 12 months immediately preceding the execution of a contract are is not provided to a prospective purchaser before such the purchaser executes a contract for the sale of property governed by covenants that are subject to disclosure pursuant to this section, the prospective purchaser may void the contract by delivering to the seller or the seller's agent or representative written notice canceling the contract within 3 days, excluding Saturdays, Sundays, and legal holidays, after receipt of such documents or before the disclosure summary or prior to closing, whichever occurs first. This right may not be

1176 waived by the prospective purchaser but terminates at closing.

Section 9. For the purpose of incorporating the amendments made by this act to section 720.306, Florida Statutes, in a reference thereto, paragraph (b) of subsection (4) of section 720.3033, Florida Statutes, is reenacted to read:

720.3033 Officers and directors.-

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(b) The board shall fill the vacancy as provided in s. 720.306(9) until the end of the period of the suspension or the end of the director's term of office, whichever occurs first. If such criminal charge is pending against the officer or director, he or she may not be appointed or elected to a position as an officer or a director of any association and may not have access to the official records of any association, except pursuant to a court order. However, if the charges are resolved without a finding of guilt or without acceptance of a plea of guilty or nolo contendere, the director or officer shall be reinstated for any remainder of his or her term of office.

Section 10. For the purpose of incorporating the amendment made by this act to section 720.306, Florida Statutes, in a reference thereto, subsection (6) of section 720.405, Florida Statutes, is reenacted to read:

720.405 Organizing committee; parcel owner approval.-

(6) A majority of the affected parcel owners must agree in writing to the revived declaration of covenants and governing

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documents of the association or approve the revived declaration and governing documents by a vote at a meeting of the affected parcel owners noticed and conducted in the manner prescribed by s. 720.306. Proof of notice of the meeting to all affected owners of the meeting and the minutes of the meeting recording the votes of the property owners shall be certified by a court reporter or an attorney licensed to practice in the state.

Section 11. Part IV of chapter 720, Florida Statutes, consisting of ss. 720.408 through 720.413, is created and entitled "Recreational Covenants."

Section 12. Section 720.408, Florida Statutes, is created to read:

- 720.408 Definitions.—As used in this part, the term:
- (1) "Amenity dues" means all amenity expenses and amenity fees, collectively, that are charged in accordance with a recreational covenant. Amenity dues are not homeowners' association assessments as defined in s. 720.301.
- (2) "Amenity expenses" means all costs, whether direct or indirect, of owning, operating, managing, maintaining, and insuring privately-owned recreational amenities that are made available to parcel owners pursuant to a recreational covenant.

 The term includes maintenance expenses; cleaning fees; trash collection expenses; utility charges; cable service charges; legal fees; management fees; reserve funding expenses; the cost of repairs, replacement, and refurbishments; payroll and payroll

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costs; insurance; working capital; ad valorem or other taxes, excluding income taxes; and costs, expenses, levies, and charges of any nature that may be levied or imposed against, or in connection with, the privately-owned recreational amenities made available to parcel owners pursuant to a recreational covenant.

Amenity expenses are not homeowners' association assessments as defined in s. 720.301.

- (3) "Amenity fees" means any amounts, other than amenity expenses, that are levied against a parcel owner for membership to or use of privately-owned recreational amenities in accordance with a recreational covenant. Amenity fees may be comprised, in part, of profit or other components to be paid to a private amenities owner as set forth in a recreational covenant, which are not otherwise categorized as amenity expenses in this part. Amenity fees are not homeowners' association assessments as defined in s. 720.301.
- (4) "Private amenities owner" means the record title owner of privately-owned recreational amenities who is responsible for the operation and maintenance of the privately-owned recreational amenities and who may levy amenity dues pursuant to a recreational covenant. For purposes of this part, the term does not include corporations not for profit pursuant to chapter 617 or local governmental entities, including special districts.
- (5) "Privately-owned recreational amenities" means recreational facilities or amenities owned by a private

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amenities owner which are intended for recreational use or leisure activities by a parcel owner through mandatory membership or use rights established pursuant to a recreational covenant. The term does not include common areas as defined in s. 720.301, any property or facilities owned by a corporation not for profit pursuant to chapter 617, or a local governmental entity, including a special district.

- (6) "Recreational covenant" means a recorded covenant, separate and distinct from a declaration of covenants for a homeowners' association, that sets forth the nature and requirements for membership, use, or purchase of privately-owned recreational amenities by parcel owners in one or more community. A recreational covenant must:
- (a) Be recorded in the public records of the county in which the property encumbered thereby is located.
- (b) Contain information regarding the amenity dues that may be levied against a parcel owner or other persons to be members or permitted to use privately-owned recreational amenities. The recreational covenant must also contain the remedies that the private amenities owner or other third party may have in connection with nonpayment of amenity dues.
- (c) Require mandatory membership or mandatory payment of amenity dues by some or all of the parcel owners in a community.
- Section 13. Section 720.409, Florida Statutes, is created to read:

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covenants.

(5)

on or after July 1, 2025.

720.409 Legislative findings; purpose; applicability.-The Legislature finds that recreational covenants are widely used throughout this state as a mechanism to provide enhanced recreational amenities to communities, but these covenants are largely unregulated. The Legislature also finds that there is a need to develop certain protections for parcel owners while encouraging the economic benefit of the development and availability of privately-owned recreational amenities by providing the means for private amenities owners to operate such privately-owned recreational amenities pursuant to a recreational covenant. The Legislature declares that it is the public policy of this state that recreational covenants be governed by this part. (2) This part is intended to provide certain protections for parcel owners and give statutory recognition to the use of recreational covenants. Parcels within a community may be subject to a recreational covenant. Recreational covenants and any privatelyowned recreational amenities governed by such covenants may only be governed by this part and s. 720.3086(2). (4) This part does not apply to recorded covenants, agreements, or other documents that are not recreational

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This part applies to recreational covenants existing

L301	Section 14. Section 720.412, Florida Statutes, is created
1302	to read:
L303	720.412 Requirements for recreational covenants.
L304	(1) A recreational covenant recorded on or after July 1,
L305	2025, that requires mandatory membership in a club or imposes
1306	mandatory amenity dues on a parcel owner in a community governed
1307	by this chapter must specify all of the following:
1308	(a) The property or parcels within the community subject
L309	to mandatory membership in a club or subject to mandatory
L310	amenity dues.
L311	(b) The party responsible for owning, maintaining, and
L312	operating the privately-owned recreational amenities governed by
L313	the recreational covenant.
L314	(c)1. The manner or process by which amenity dues are
L315	apportioned and collected from the encumbered parcels or parcel
L316	owners and the party responsible for collecting the amenity
L317	dues.
1318	2. Except as provided in subsection (5), this section does
1319	not preclude additional components to be included in the amenity
1320	dues as long as such components and the description of such
1321	components are stated in the recreational covenant.
1322	(d) The amount of the amenity fees or, alternatively, if
1323	no specific dollar amount is set forth in the recreational
L324	covenant, the manner in which such amenity fees are calculated

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

1325

and increased.

. -	(e)	The	amount	by w	nic	h amenity	fees	may be	e increa	ased,
which	may	be	calculat	ed a	s a	percenta	ge, a	fixed	dollar	amount,
or th	e cor	nsum	er price	inde	ex.					

- (f) The rights and remedies that are available to enforce the payment of amenity dues.
- (g) Whether the collection rights to enforce the payment of amenity dues are subordinate to an association's right to collect assessments.
- (h) Whether the privately-owned recreational amenities are open to the public or may be used by other persons who are not members or parcel owners within a community.
- (i) The remedies available to a private amenities owner for the nonpayment of amenity dues.
 - (2) A recreational covenant recorded before July 1, 2025:
- (a) That requires mandatory membership in a club or imposes mandatory amenity dues on a parcel owner in a community governed by this chapter remains valid and effective as to its terms as long as such covenant includes the information required in paragraphs (1)(a)-(d).
- (b) That does not include the information required in paragraphs (1)(a)-(d) must be amended to include such information before July 1, 2026, to remain valid and effective.
- (c) That does not specify the amount by which the amenity fees may be increased as required in paragraph (e) is considered to include a maximum annual increase of no more than the annual

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1351 increase for the current year in the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items.

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- With respect to a recreational covenant recorded on or after July 1, 2025, and notwithstanding any provision to the contrary in the recreational covenant, a recreational covenant that does not specify the amount by which amenity expenses may be increased is considered to include a maximum annual increase of no more than 25 percent of the amenity expenses from the preceding fiscal year. However, a private amenities owner may increase amenity expenses in excess of such amount if necessary due to a natural disaster; act of God; increases in insurance costs, utility rates, supply costs, or labor rates; or any other circumstances outside of the reasonable control of the private amenities owner.
- (4) Notwithstanding any provision to the contrary in the recreational covenant, a homeowners' association does not have any obligation, duty, or responsibility to collect amenity dues or to remit amenity dues to the private amenities owner. A private amenities owner, or his or her management company or agent, other than the association, is solely responsible for the collection of amenity dues.
 - Amenity expenses may not include any of the following: (5)
- The initial cost of construction of the privatelyowned recreational amenities.
 - Any costs or fees associated with a loan acquired for (b)

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the construction or purchase of the privately-owned recreational amenities.

(c) The cost of a debt service of the private amenities owner.

- (6) The termination of a recreational covenant or the right of a private amenities owner to suspend the use of the privately-owned recreational amenities may not:
- (a) Prohibit a parcel owner or tenant of a parcel owner from having vehicular and pedestrian ingress to and egress from the property or parcels subject to the recreational covenant;
- (b) Prohibit a parcel owner or tenant of a parcel owner from receiving utilities provided to the property or parcels subject to the recreational covenant by virtue of utility facilities or utility easements located within the privately-owned recreational amenities; or
- (c) Prohibit a parcel owner or tenant of a parcel owner from having access to any mail delivery facilities serving the property or parcels subject to the recreational covenant which may be located within the privately-owned recreational amenities.
- (7) A recreational covenant is not a governing document of a homeowners' association, even if such recreational covenant is attached as an exhibit to a declaration of covenants for a homeowners' association. This subsection is remedial in nature and intended to clarify existing law.

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L401	(8) It is the intent of the Legislature to respect the
L402	intent of the parties to a real property transaction that
L403	occurred before July 1, 2025, and the parties' reliance on the
L404	covenants, conditions, restrictions, or other interests created
L405	by those transactions. However, this section does not revive or
L406	reinstate any right or interest that has been fully and finally
L407	adjudicated as invalid before July 1, 2025.
L408	Section 15. Section 720.413, Florida Statutes, is created
L409	to read:
L410	720.413 Disclosure of recreational covenants before the
L411	sale of residential parcels.—
L412	(1) Beginning July 1, 2025, each contract or agreement for
L413	the sale of a residential parcel that is governed by a
L414	homeowners' association and subject to a recreational covenant
L415	must contain the following disclosure summary in conspicuous
L416	type and in substantially the following form:
L417	
L418	DISCLOSURE SUMMARY
L419	
L420	YOUR PARCEL IS SUBJECT TO A RECREATIONAL COVENANT. AS A
L421	PURCHASER OF PROPERTY SUBJECT TO A RECREATIONAL COVENANT, YOU
L422	ARE OBLIGATED TO PAY AMENITY DUES TO A PRIVATE AMENITIES OWNER.
L423	
L424	AS THE PURCHASER OF SUCH PROPERTY, I ACKNOWLEDGE ALL OF THE
1425	FOLLOWING:

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CODING: Words $\frac{\text{stricken}}{\text{stricken}}$ are deletions; words $\frac{\text{underlined}}{\text{ore}}$ are additions.

1426	
1427	1. THE PROPERTY ON WHICH THE PRIVATELY-OWNED RECREATIONAL
1428	AMENITIES ARE LOCATED, WHICH ARE GOVERNED BY THE RECREATIONAL
1429	COVENANT, IS NOT A COMMON AREA OF THE HOMEOWNERS' ASSOCIATION
1430	AND IS NOT OWNED OR CONTROLLED BY THE HOMEOWNERS' ASSOCIATION.
1431	THE RECREATIONAL COVENANT IS NOT A GOVERNING DOCUMENT OF THE
1432	ASSOCIATION.
1433	
1434	2. THE AMOUNT OF ANY AMENITY DUES IS GOVERNED BY THE
1435	RECREATIONAL COVENANT. SUCH DOCUMENT CONTAINS IMPORTANT
1436	PROVISIONS AND RIGHTS AND IS A PUBLIC RECORD AND AVAILABLE UPON
1437	REQUEST.
1438	
1439	3. THE PRIVATE AMENITIES OWNER DETERMINES THE BUDGET FOR THE
1440	OPERATION AND MAINTENANCE OF THE PRIVATELY-OWNED RECREATIONAL
1441	AMENITIES. HOWEVER, EACH PARCEL OWNER SUBJECT TO THE
1442	RECREATIONAL COVENANT IS STILL RESPONSIBLE FOR AMENITY DUES.
1443	
1444	4. AMENITY DUES MAY BE SUBJECT TO PERIODIC CHANGE. AMENITY DUES
1445	ARE IN ADDITION TO, AND SEPARATE AND DISTINCT FROM, THE
1446	ASSESSMENTS LEVIED BY THE ASSOCIATION.
1447	
1448	5. THE FAILURE TO PAY AMENITY DUES OR OTHER CHARGES LEVIED BY A
1449	PRIVATE AMENITIES OWNER COULD RESULT IN A LIEN ON YOUR PARCEL.
1450	

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L451	6. THIRD PARTIES WHO ARE NOT MEMBERS OF THE ASSOCIATION MAY
L452	HAVE THE RIGHT TO ACCESS AND USE THE PRIVATELY-OWNED
L453	RECREATIONAL AMENITIES AS DETERMINED BY THE PRIVATE AMENITIES
L454	OWNER.
L455	
L456	7. THE REQUIREMENT FOR MANDATORY MEMBERSHIP AND THE OBLIGATION
L457	TO PAY AMENITY DUES CAN BE FOUND IN THE RECREATIONAL COVENANT OR
L458	OTHER RECORDED INSTRUMENT.
L459	
L460	8. THE PRIVATE AMENITIES OWNER MAY AMEND THE RECREATIONAL
L461	COVENANT WITHOUT THE APPROVAL OF THE ASSOCIATION OR PARCEL
L462	OWNERS, SUBJECT TO THE TERMS OF THE RECREATIONAL COVENANT AND
L463	SECTION 720.412, FLORIDA STATUTES.
L464	
L465	9. THE STATEMENTS CONTAINED IN THIS DISCLOSURE ARE ONLY SUMMARY
L466	IN NATURE AND, AS A PROSPECTIVE PURCHASER, YOU SHOULD REFER TO
L467	THE RECREATIONAL COVENANT BEFORE PURCHASING A PARCEL. THE
L468	RECREATIONAL COVENANT IS A MATTER OF PUBLIC RECORD AND MAY BE
L469	OBTAINED FROM THE RECORD OFFICE IN THE COUNTY IN WHICH THE
L470	PARCEL YOU ARE PURCHASING IS LOCATED OR, IF NOT RECORDED, MAY BE
L471	OBTAINED FROM THE DEVELOPER UPON REQUEST.
L472	
L473	(2) The disclosure summary required by this section must
L474	be provided to a prospective purchaser by the developer or the
L475	parcel owner selling the parcel. Any contract or agreement for

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sale must refer to and incorporate the disclosure summary and must include, in prominent language, a statement that the prospective purchaser should not execute the contract or agreement for sale until he or she has received and read the disclosure summary required by this section.

(3) A contract or agreement for sale is voidable by a purchaser if the disclosure summary required by this section is not provided to the purchaser before the execution of the contract or agreement. In order to void the contract or agreement, the purchaser must deliver written notice cancelling the contract or agreement to the seller or the seller's agent or representative within 3 days after receipt of the disclosure summary or before closing, whichever occurs first. The purchaser's right to void a contract or an agreement terminates at closing. This right may not be waived by the purchaser.

Section 16. This act shall take effect July 1, 2025.