

1 A bill to be entitled
2 An act relating to community association management;
3 amending s. 468.432, F.S.; requiring community
4 association managers and community association firms
5 to obtain a specified amount of insurance separate
6 from insurance provided by an association; amending s.
7 468.436, F.S.; providing for the revocation of a
8 community association manager's license under certain
9 circumstances; barring a community association manager
10 from being licensed under certain circumstances;
11 amending ss. 718.111, 718.405, 719.106, and 720.303,
12 F.S.; requiring certain community associations to
13 contract with a community association management firm;
14 requiring the community association firm to possess
15 all applicable licenses; providing that association
16 board members, officers, and directors have a duty to
17 ensure such community association firm or community
18 association manager is properly licensed; amending s.
19 721.03, F.S.; providing that timeshare management
20 firms and certain licensed individuals are only
21 subject to certain licensing and disciplinary
22 requirements; amending s. 721.13, F.S.; providing that
23 timeshare management firms and certain licensed
24 individuals are only subject to certain licensing and
25 disciplinary requirements unless certain provisions of

26 law expressly apply; providing that certain
27 accommodations managed by a timeshare management firm
28 or licensed individual are governed under specified
29 provisions of law; providing for priority of
30 application in case of conflict; amending s. 721.14,
31 F.S.; conforming a provision to changes made by the
32 act; providing an effective date.
33

34 Be It Enacted by the Legislature of the State of Florida:
35

36 **Section 1. Subsection (4) is added to section 468.432,**
37 **Florida Statutes, to read:**

38 468.432 Licensure of community association managers and
39 community association management firms; exceptions.—

40 (4) Before contracting with or being employed by a
41 condominium association, cooperative association, or homeowners'
42 association, a community association manager or community
43 association management firm must obtain coverage under an errors
44 or omissions insurance policy with a minimum combined single
45 limit of \$1 million, which is separate from any insurance
46 coverage provided by the association.

47 **Section 2. Subsection (6) is added to section 468.436,**
48 **Florida Statutes, to read:**

49 468.436 Disciplinary proceedings.—

50 (6) If a community association manager is convicted of, or

51 enters a plea of guilty or nolo contendere, regardless of
52 adjudication, in any jurisdiction, to a felony of the first
53 degree, a capital felony, a felony involving money laundering,
54 or a felony involving theft or embezzlement, the department must
55 immediately revoke the community association manager's license
56 issued under this part and the community association manager is
57 permanently barred from future licensure under this part.

58 **Section 3. Paragraph (g) of subsection (3) of section**
59 **718.111, Florida Statutes, is amended to read:**

60 718.111 The association.—

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

63 (g) If an association contracts with a community
64 association manager or a community association management firm,
65 the community association manager or community association
66 management firm must possess all applicable licenses required by
67 part VIII of chapter 468. An association with total annual
68 revenues of \$750,000 or more must contract with a community
69 association management firm. Each board member or officer ~~All~~
70 ~~board members or officers~~ of an association that contracts with
71 a community association manager or a community association
72 management firm has ~~have~~ a duty to ensure that the community
73 association manager or community association management firm is
74 properly licensed before entering into a contract.

75 **Section 4. Subsection (6) is added to section 718.405,**

Florida Statutes, to read:

718.405 Multicondominiums; multicondominium associations.—

(6) An association operating a multicondominium must contract with a community association management firm. The community association management firm must possess all applicable licenses required by part VIII of chapter 468. Each board member or officer of an association that contracts with a community association manager or a community association management firm has a duty to ensure that the community association manager or community association management firm is properly licensed before entering into a contract.

Section 5. Paragraph (a) of subsection (1) of section 719.106, Florida Statutes, is amended to read:

719.106 Bylaws; cooperative ownership.—

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

(a) Administration.—

1. The form of administration of the association shall be described, indicating the titles of the officers and board of administration and specifying the powers, duties, manner of selection and removal, and compensation, if any, of officers and board members. In the absence of such a provision, the board of administration shall be composed of five members, unless the cooperative has five or fewer units. The board shall consist of

101 not fewer than three members in cooperatives with five or fewer
102 units that are not-for-profit corporations. In a residential
103 cooperative association of more than 10 units, co-owners of a
104 unit may not serve as members of the board of directors at the
105 same time unless the co-owners own more than one unit or unless
106 there are not enough eligible candidates to fill the vacancies
107 on the board at the time of the vacancy. In the absence of
108 provisions to the contrary, the board of administration shall
109 have a president, a secretary, and a treasurer, who shall
110 perform the duties of those offices customarily performed by
111 officers of corporations. Unless prohibited in the bylaws, the
112 board of administration may appoint other officers and grant
113 them those duties it deems appropriate. Unless otherwise
114 provided in the bylaws, the officers shall serve without
115 compensation and at the pleasure of the board. Unless otherwise
116 provided in the bylaws, the members of the board shall serve
117 without compensation.

118 2. A person who has been suspended or removed by the
119 division under this chapter, or who is delinquent in the payment
120 of any monetary obligation due to the association, is not
121 eligible to be a candidate for board membership and may not be
122 listed on the ballot. A director or officer charged by
123 information or indictment with a felony theft or embezzlement
124 offense involving the association's funds or property is
125 suspended from office. The board shall fill the vacancy

126 according to general law until the end of the period of the
127 suspension or the end of the director's term of office,
128 whichever occurs first. However, if the charges are resolved
129 without a finding of guilt or without acceptance of a plea of
130 guilty or nolo contendere, the director or officer shall be
131 reinstated for any remainder of his or her term of office. A
132 member who has such criminal charges pending may not be
133 appointed or elected to a position as a director or officer. A
134 person who has been convicted of any felony in this state or in
135 any United States District Court, or who has been convicted of
136 any offense in another jurisdiction which would be considered a
137 felony if committed in this state, is not eligible for board
138 membership unless such felon's civil rights have been restored
139 for at least 5 years as of the date such person seeks election
140 to the board. The validity of an action by the board is not
141 affected if it is later determined that a board member is
142 ineligible for board membership due to having been convicted of
143 a felony.

144 3. When a unit owner files a written inquiry by certified
145 mail with the board of administration, the board shall respond
146 in writing to the unit owner within 30 days of receipt of the
147 inquiry. The board's response shall either give a substantive
148 response to the inquirer, notify the inquirer that a legal
149 opinion has been requested, or notify the inquirer that advice
150 has been requested from the division. If the board requests

advice from the division, the board shall, within 10 days of its receipt of the advice, provide in writing a substantive response to the inquirer. If a legal opinion is requested, the board shall, within 60 days after the receipt of the inquiry, provide in writing a substantive response to the inquirer. The failure to provide a substantive response to the inquirer as provided herein precludes the board from recovering attorney's fees and costs in any subsequent litigation, administrative proceeding, or arbitration arising out of the inquiry. The association may, through its board of administration, adopt reasonable rules and regulations regarding the frequency and manner of responding to the unit owners' inquiries, one of which may be that the association is obligated to respond to only one written inquiry per unit in any given 30-day period. In such case, any additional inquiry or inquiries must be responded to in the subsequent 30-day period, or periods, as applicable.

4. An association with total annual revenues of \$750,000 or more must contract with a community association management firm. The community association management firm must possess all applicable licenses required by part VIII of chapter 468.

5. Each board member or officer of an association that contracts with a community association manager or a community association management firm has a duty to ensure that the community association manager or community association management firm is properly licensed before entering into a

176 contract.

177 **Section 6. Subsection (1) of section 720.303, Florida**
178 **Statutes, is amended to read:**

179 720.303 Association powers and duties; meetings of board;
180 official records; budgets; financial reporting; association
181 funds; recalls.—

182 (1) POWERS AND DUTIES.—An association that operates a
183 community as defined in s. 720.301 must be operated by an
184 association that is a Florida corporation. After October 1,
185 1995, the association must be incorporated and the initial
186 governing documents must be recorded in the official records of
187 the county in which the community is located. An association may
188 operate more than one community. An association with total
189 annual revenues of \$750,000 or more must contract with a
190 community association management firm. The community association
191 management firm must possess all applicable licenses required by
192 part VIII of chapter 468. The officers and directors of an
193 association are subject to s. 617.0830 and have a fiduciary
194 relationship to the members who are served by the association.
195 Each officer and director of an association that contracts with
196 a community association manager or a community association
197 management firm has a duty to ensure that the community
198 association manager or community association management firm is
199 properly licensed before entering into a contract. The powers
200 and duties of an association include those set forth in this

chapter and, except as expressly limited or restricted in this chapter, those set forth in the governing documents. After control of the association is obtained by members other than the developer, the association may institute, maintain, settle, or appeal actions or hearings in its name on behalf of all members concerning matters of common interest to the members, including, but not limited to, the common areas; roof or structural components of a building, or other improvements for which the association is responsible; mechanical, electrical, or plumbing elements serving an improvement or building for which the association is responsible; representations of the developer pertaining to any existing or proposed commonly used facility; and protest of ad valorem taxes on commonly used facilities. The association may defend actions in eminent domain or bring inverse condemnation actions. Before commencing litigation against any party in the name of the association involving amounts in controversy in excess of \$100,000, the association must obtain the affirmative approval of a majority of the voting interests at a meeting of the membership at which a quorum has been attained. This subsection does not limit any statutory or common-law right of any individual member or class of members to bring any action without participation by the association. A member does not have authority to act for the association by virtue of being a member. An association may have more than one class of members and may issue membership certificates. An

association of 15 or fewer parcel owners may enforce only the requirements of those deed restrictions established prior to the purchase of each parcel upon an affected parcel owner or owners.

Section 7. Subsection (2) of section 721.03, Florida Statutes, is amended to read:

721.03 Scope of chapter.—

(2)(a) When a timeshare plan is subject to both the provisions of this chapter and the provisions of chapter 718 or chapter 719, the plan shall meet the requirements of both chapters unless exempted as provided in this section. The division shall have the authority to adopt rules differentiating between timeshare condominiums and nontimeshare condominiums, and between timeshare cooperatives and nontimeshare cooperatives, in the interpretation and implementation of chapters 718 and 719, respectively. In the event of a conflict between the provisions of this chapter and the provisions of chapter 718 or chapter 719, the provisions of this chapter shall prevail.

(b) A timeshare management firm, or an individual licensed under part VIII of chapter 468 who is employed by a timeshare management firm, is governed by this chapter and, pursuant to s. 721.13(13)(c)2., is only subject to the licensing and disciplinary requirements of chapter 468.

Section 8. Paragraph (c) of subsection (13) of section 721.13, Florida Statutes, is amended to read:

721.13 Management.—

(13)

(c)1. If a timeshare management firm or an owners' association provides goods or services through a parent, affiliate, or subsidiary of the timeshare management firm, the fact that a related party is providing goods or services must be disclosed annually to the members of that owners' association in any of the following ways:

a. As an explanatory note to the annual budget pursuant to subparagraph (3)(c)1.;

b. In the management contract;

c. By mail sent to each owner's address on file for providing notice;

d. In the notice of an annual or special meeting of the owners;

e. By posting notice on the website of the applicable timeshare plan; or

f. By any owner communication used by the managing entity.

2.a. A timeshare management firm and any individual licensed under part VIII of chapter 468 employed by the timeshare management firm are governed by this section and s. 468.438.

b. Unless a provision of part VIII of chapter 468 is made expressly applicable to a timeshare management firm, or to an individual licensed under part VIII of chapter 468 who is

276 employed by a timeshare management firm, a timeshare management
277 firm or an individual licensee is governed by this chapter and
278 is only subject to the licensing and disciplinary requirements
279 of chapter 468.

280 c. If a timeshare management firm or an individual
281 licensee also manages other accommodations that are not part of
282 a timeshare plan, subparagraph b. does not apply to the
283 community association management of the other accommodations and
284 such accommodations are fully governed by part VIII of chapter
285 468.

286 d. In the event of a conflict between the provisions of
287 this chapter and the provisions of chapter 468, the provisions
288 of this chapter prevail.

289 **Section 9. Paragraph (d) is added to subsection (4) of**
290 **section 721.14, Florida Statutes, to read:**

291 721.14 Discharge of managing entity.—

292 (4)

293 (d) Timeshare management firms are governed by this
294 section and not by s. 468.4334(4).

295 **Section 10.** This act shall take effect January 1, 2027.