

A bill to be entitled
An act relating to community association management; amending s. 468.432, F.S.; requiring community association managers and community association firms to obtain a specified amount of insurance separate from insurance provided by an association; amending s. 468.436, F.S.; providing for the revocation of a community association manager's license under certain circumstances; barring a community association manager from being licensed under certain circumstances; amending ss. 718.111, 718.405, 719.106, and 720.303, F.S.; requiring certain community associations to contract with a community association management firm; requiring the community association firm to possess all applicable licenses; providing that association board members, officers, and directors have a duty to ensure such community association firm or community association manager is properly licensed; amending s. 721.03, F.S.; providing that timeshare management firms and certain licensed individuals are only subject to certain licensing and disciplinary requirements; amending s. 721.13, F.S.; providing that timeshare management firms and certain licensed individuals are only subject to certain licensing and 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.

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

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

37 468.432 Licensure of community association managers and
38 community association management firms; exceptions.—

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

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

43 468.436 Disciplinary proceedings.—

44
45 (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,**

76 **Florida Statutes, to read:**

77 718.405 Multicondominiums; multicondominium associations.—

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

87 **Section 5. Paragraph (a) of subsection (1) of section**
88 **719.106, Florida Statutes, is amended to read:**

89 719.106 Bylaws; cooperative ownership.—

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

93 (a) **Administration.**—

94 1. The form of administration of the association shall be
95 described, indicating the titles of the officers and board of
96 administration and specifying the powers, duties, manner of
97 selection and removal, and compensation, if any, of officers and
98 board members. In the absence of such a provision, the board of
99 administration shall be composed of five members, unless the
100 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

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

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

171 5. Each board member or officer of an association that
172 contracts with a community association manager or a community
173 association management firm has a duty to ensure that the
174 community association manager or community association
175 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

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

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

229 **Section 7. Subsection (2) of section 721.03, Florida**

230 **Statutes, is amended to read:**

231 721.03 Scope of chapter.—

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

244 (b) A timeshare management firm, or an individual licensed
245 under part VIII of chapter 468 who is employed by a timeshare
246 management firm, is governed by this chapter and, pursuant to s.
247 721.13(13)(c)2., is only subject to the licensing and
248 disciplinary requirements of chapter 468.

249 **Section 8. Paragraph (c) of subsection (13) of section**
250 **721.13, Florida Statutes, is amended to read:**

251 721.13 Management.—

252 (13)

253 (c)1. If a timeshare management firm or an owners'

254 association provides goods or services through a parent,

255 affiliate, or subsidiary of the timeshare management firm, the

256 fact that a related party is providing goods or services must be

257 disclosed annually to the members of that owners' association in

258 any of the following ways:

259 a. As an explanatory note to the annual budget pursuant to

260 subparagraph (3)(c)1.;

261 b. In the management contract;

262 c. By mail sent to each owner's address on file for

263 providing notice;

264 d. In the notice of an annual or special meeting of the

265 owners;

266 e. By posting notice on the website of the applicable

267 timeshare plan; or

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

269 2.a. A timeshare management firm and any individual

270 licensed under part VIII of chapter 468 employed by the

271 timeshare management firm are governed by this section and s.

272 468.438.

273 b. Unless a provision of part VIII of chapter 468 is made

274 expressly applicable to a timeshare management firm, or to an

275 individual licensed under part VIII of chapter 468 who is

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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.