

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 657 (2026)

Amendment No.1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED ☐ (Y/N)

ADOPTED AS AMENDED ☐ (Y/N)

ADOPTED W/O OBJECTION ☐ (Y/N)

FAILED TO ADOPT ☐ (Y/N)

WITHDRAWN ☐ (Y/N)

OTHER ☐

Committee/Subcommittee hearing bill: Civil Justice & Claims  
Subcommittee

Representative Porras offered the following:

**Amendment (with title amendment)**

Remove lines 162-940 and insert:  
in paragraph (a). In order to amend the governing documents  
under this paragraph, the association must, at a meeting of the  
membership at which a quorum has been attained, obtain the  
affirmative approval of the owners of two-thirds of the units.

**Section 3. Subsections (6) and (7) of section 718.1255, Florida Statutes, are renumbered as subsections (5) and (6), respectively, and paragraphs (a), (h), (k), and (m) of subsection (4) and present subsection (5) of that section are amended, to read:**

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16           718.1255 Alternative dispute resolution; mediation;  
17 nonbinding arbitration; applicability.—

18           (4) NONBINDING ARBITRATION AND MEDIATION OF DISPUTES.—The  
19 Division of Florida Condominiums, Timeshares, and Mobile Homes  
20 of the Department of Business and Professional Regulation may  
21 employ full-time attorneys to act as arbitrators to conduct the  
22 arbitration hearings provided by this chapter. The division may  
23 also certify attorneys who are not employed by the division to  
24 act as arbitrators to conduct the arbitration hearings provided  
25 by this chapter. A person may not be employed by the department  
26 as a full-time arbitrator unless he or she is a member in good  
27 standing of The Florida Bar. A person may only be certified by  
28 the division to act as an arbitrator if he or she has been a  
29 member in good standing of The Florida Bar for at least 5 years  
30 and has mediated or arbitrated at least 10 disputes involving  
31 condominiums in this state during the 3 years immediately  
32 preceding the date of application, mediated or arbitrated at  
33 least 30 disputes in any subject area in this state during the 3  
34 years immediately preceding the date of application, or attained  
35 board certification in real estate law or condominium and  
36 planned development law from The Florida Bar. Arbitrator  
37 certification is valid for 1 year. An arbitrator who does not  
38 maintain the minimum qualifications for initial certification  
39 may not have his or her certification renewed. The department  
40 may not enter into a legal services contract for an arbitration

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41 hearing under this chapter with an attorney who is not a  
42 certified arbitrator unless a certified arbitrator is not  
43 available within 50 miles of the dispute. The department shall  
44 adopt rules of procedure to govern such arbitration hearings  
45 including mediation incident thereto. The decision of an  
46 arbitrator is final; however, a decision is not deemed final  
47 agency action. Nothing in this provision shall be construed to  
48 foreclose parties from proceeding in a trial de novo unless the  
49 parties have agreed that the arbitration is binding. If judicial  
50 proceedings are initiated, the final decision of the arbitrator  
51 is admissible in evidence in the trial de novo.

52 (a) Before the institution of court litigation, a party to  
53 a dispute, other than an election or recall dispute, must ~~shall~~  
54 ~~either~~ petition the division for nonbinding arbitration or  
55 request that the case be referred to mediation ~~initiate presuit~~  
56 ~~mediation as provided in subsection (5)~~. Arbitration is binding  
57 on the parties if all parties in arbitration agree to be bound  
58 in a writing filed in arbitration. The petition must be  
59 accompanied by a filing fee in the amount of \$50. Filing fees  
60 collected under this section must be used to defray the expenses  
61 of the alternative dispute resolution program.

62 (h) Mediation proceedings must generally be conducted in  
63 accordance with the Florida Rules of Civil Procedure, and these  
64 proceedings are privileged and confidential to the same extent  
65 as court-ordered mediation. Persons who are not parties to the

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66 dispute are not allowed to attend the mediation conference  
67 without the consent of all parties, with the exception of  
68 counsel for the parties and corporate representatives designated  
69 to appear for a party. If the mediator declares an impasse after  
70 a mediation conference has been held, the arbitration proceeding  
71 terminates, unless all parties agree in writing to continue the  
72 arbitration proceeding, in which case the arbitrator's decision  
73 shall be binding or nonbinding, as agreed upon by the parties;  
74 in the arbitration proceeding, the arbitrator shall not consider  
75 any evidence relating to the unsuccessful mediation except in a  
76 proceeding to impose sanctions for failure to appear at the  
77 mediation conference. If the parties do not agree to continue  
78 arbitration, the arbitrator shall enter an order of dismissal,  
79 and either party may institute a suit in a community association  
80 court program under s. 720.32 or a court of competent  
81 jurisdiction. The parties may seek to recover any costs and  
82 attorney fees incurred in connection with arbitration and  
83 mediation proceedings under this section as part of the costs  
84 and fees that may be recovered by the prevailing party in any  
85 subsequent litigation.

86 (k) The arbitration decision shall be rendered within 30  
87 days after the hearing and presented to the parties in writing.  
88 An arbitration decision is final in those disputes in which the  
89 parties have agreed to be bound. An arbitration decision is also  
90 final if a complaint for a trial de novo is not filed in a

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91 community association court program under s. 720.32 or a court  
92 of competent jurisdiction in which the condominium is located  
93 within 30 days. The right to file for a trial de novo entitles  
94 the parties to file a complaint in the appropriate trial court  
95 for a judicial resolution of the dispute. The prevailing party  
96 in an arbitration proceeding shall be awarded the costs of the  
97 arbitration and reasonable attorney fees in an amount determined  
98 by the arbitrator. Such an award shall include the costs and  
99 reasonable attorney fees incurred in the arbitration proceeding  
100 as well as the costs and reasonable attorney fees incurred in  
101 preparing for and attending any scheduled mediation. An  
102 arbitrator's failure to render a written decision within 30 days  
103 after the hearing may result in the cancellation of his or her  
104 arbitration certification.

105 (m) Any party to an arbitration proceeding may enforce an  
106 arbitration award by filing a petition in a community  
107 association court program under s. 720.32 or a court of  
108 competent jurisdiction in which the condominium is located. A  
109 petition may not be granted unless the time for appeal by the  
110 filing of a complaint for trial de novo has expired. If a  
111 complaint for a trial de novo has been filed, a petition may not  
112 be granted with respect to an arbitration award that has been  
113 stayed. If the petition for enforcement is granted, the  
114 petitioner shall recover reasonable attorney fees and costs  
115 incurred in enforcing the arbitration award. A mediation

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116 settlement may also be enforced through the county or circuit  
117 court or a community association court program, as applicable,  
118 and any costs and fees incurred in the enforcement of a  
119 settlement agreement reached at mediation must be awarded to the  
120 prevailing party in any enforcement action.

121 ~~(5) PRESUIT MEDIATION. In lieu of the initiation of~~  
122 ~~nonbinding arbitration as provided in subsections (1)-(4), a~~  
123 ~~party may submit a dispute to presuit mediation in accordance~~  
124 ~~with s. 720.311; however, election and recall disputes are not~~  
125 ~~eligible for mediation and such disputes must be arbitrated by~~  
126 ~~the division or filed in a court of competent jurisdiction.~~

127 **Section 4. Subsections (8), (9), (10), (11), (12), and**  
128 **(13) of section 720.301, Florida Statutes, are amended to read:**

129 720.301 Definitions.—As used in this chapter, the term:

130 (8) "Financial statements" means a comprehensive report  
131 prepared in accordance with generally accepted accounting  
132 principles which accurately reflects the financial condition and  
133 operation of a homeowners' association for a specified reporting  
134 period. This report must include, at a minimum, a balance sheet;  
135 an income and expense statement; a budget comparison; and a  
136 complete set of bank statements, including copies of check  
137 images for all disbursements the association made during the  
138 reporting period, for each bank account belonging to the  
139 association.

140 (9)(8) "Governing documents" means:

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141 (a) The recorded declaration of covenants for a community  
142 and all duly adopted and recorded amendments, supplements, and  
143 recorded exhibits thereto; and

144 (b) The articles of incorporation and bylaws of the  
145 homeowners' association and any duly adopted amendments thereto.

146 (10) ~~(9)~~ "Homeowners' association" or "association" means a  
147 Florida corporation responsible for the operation of a community  
148 or a mobile home subdivision in which the voting membership is  
149 made up of parcel owners or their agents, or a combination  
150 thereof, and in which membership is a mandatory condition of  
151 parcel ownership, and which is authorized to impose assessments  
152 that, if unpaid, may become a lien on the parcel. The term  
153 "homeowners' association" does not include a community  
154 development district or other similar special taxing district  
155 created pursuant to statute.

156 (11) ~~(10)~~ "Member" means a member of an association, and  
157 may include, but is not limited to, a parcel owner or an  
158 association representing parcel owners or a combination thereof,  
159 and includes any person or entity obligated by the governing  
160 documents to pay an assessment or amenity fee.

161 (12) ~~(11)~~ "Parcel" means a platted or unplatted lot, tract,  
162 unit, or other subdivision of real property within a community,  
163 as described in the declaration:

164 (a) Which is capable of separate conveyance; and

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(b) Of which the parcel owner, or an association in which the parcel owner must be a member, is obligated:

1. By the governing documents to be a member of an association that serves the community; and

2. To pay to the homeowners' association assessments that, if not paid, may result in a lien.

~~(13)-(12)~~ "Parcel owner" means the record owner of legal title to a parcel.

~~(14)-(13)~~ "Voting interest" means the voting rights distributed to the members of the homeowners' association, pursuant to the governing documents.

**Section 5. Subsection (2) of section 720.302, Florida Statutes, is amended to read:**

720.302 Purposes, scope, and application.—

(2) 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, administer, and determine these disputes as more fully set forth

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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.

**Section 6. Subsections (11) through (15) of section 720.303, Florida Statutes, are renumbered as subsections (12) through (16), respectively, subsection (1) is amended, and a new subsection (11) is added to that section, to read:**

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

(1) POWERS AND DUTIES.—

(a) An association that operates a community as defined in s. 720.301 must be operated by an association that is a Florida corporation. After October 1, 1995, the association must be incorporated and the initial governing documents must be recorded in the official records of the county in which the community is located. An association may operate more than one community.

(b) The officers and directors of an association are subject to s. 617.0830 and have a fiduciary relationship to the members who are served by the association.

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215        (c) The powers and duties of an association include those  
216 set forth in this chapter and, except as expressly limited or  
217 restricted in this chapter, those set forth in the governing  
218 documents.

219        1. Each association formed on or after July 1, 2026, must  
220 include the following statement in the governing documents:

221  
222        This association and the association's governing  
223 documents are governed by the Florida Homeowners'  
224 Association Act, as amended from time to time.

225  
226        2. By January 1, 2027, each association in existence  
227 before July 1, 2026, must hold a meeting of the members in  
228 accordance with s. 720.306 to vote whether to amend the  
229 governing documents of the association to include the statement  
230 in subparagraph 1. In order to amend the governing documents  
231 under this subparagraph, the association must, at a meeting of  
232 the membership at which a quorum has been attained, obtain the  
233 affirmative approval of two-thirds of the voting interests of  
234 the association.

235        (d) After control of the association is obtained by  
236 members other than the developer, the association may institute,  
237 maintain, settle, or appeal actions or hearings in its name on  
238 behalf of all members concerning matters of common interest to  
239 the members, including, but not limited to, the common areas;

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240 roof or structural components of a building, or other  
241 improvements for which the association is responsible;  
242 mechanical, electrical, or plumbing elements serving an  
243 improvement or building for which the association is  
244 responsible; representations of the developer pertaining to any  
245 existing or proposed commonly used facility; and protest of ad  
246 valorem taxes on commonly used facilities. The association may  
247 defend actions in eminent domain or bring inverse condemnation  
248 actions. Before commencing litigation against any party in the  
249 name of the association involving amounts in controversy in  
250 excess of \$100,000, the association must obtain the affirmative  
251 approval of a majority of the voting interests at a meeting of  
252 the membership at which a quorum has been attained. This  
253 paragraph subsection does not limit any statutory or common-law  
254 right of any individual member or class of members to bring any  
255 action without participation by the association.

256 (e) A member does not have authority to act for the  
257 association by virtue of being a member. An association may have  
258 more than one class of members and may issue membership  
259 certificates.

260 (f) An association of 15 or fewer parcel owners may  
261 enforce only the requirements of those deed restrictions  
262 established prior to the purchase of each parcel upon an  
263 affected parcel owner or owners.

264 (11) CONFLICTS OF INTEREST.—

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265       (a) A director, an officer, or a committee member of an  
266       association owes a duty of loyalty to the association and its  
267       members.

268       (b) A conflict of interest exists when a director, an  
269       officer, or a committee member has a direct or an indirect  
270       financial interest in a transaction, contract, or decision under  
271       consideration by the association.

272       (c) The director, officer, or committee member with a  
273       conflict of interest must disclose the nature and extent of the  
274       conflict in writing to the board before any discussion or vote  
275       occurs on the matter.

276       (d) After disclosure of the conflict of interest, the  
277       conflicted director, officer, or committee member may not  
278       participate in any discussion or vote on the matter.

279       (e) A transaction involving a conflict of interest is  
280       voidable by the association unless the transaction was approved  
281       by a majority of the voting interests of the association after  
282       full disclosure by the conflicted director, officer, or  
283       committee member has occurred.

284       (f) Compensating or contracting with a director, an  
285       officer, or a committee member of the association, or an  
286       immediate family member thereof, creates a rebuttable  
287       presumption that a conflict of interest exists.

288       (g) This subsection may not be waived or limited by the  
289       governing documents of the association.

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**Section 7. Paragraph (h) of subsection (1) of section 720.306, Florida Statutes, is amended to read:**

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

(1) QUORUM; AMENDMENTS.—

(h)1. Except as otherwise provided in this paragraph, any governing document, or amendment to a governing document, that is enacted after July 1, 2021, and that prohibits or regulates rental agreements applies only to a parcel owner who acquires title to the parcel after the effective date of the governing document or amendment, or to a parcel owner who consents, individually or through a representative, to the governing document or amendment.

2. Notwithstanding subparagraph 1., an association may amend its governing documents to prohibit or regulate rental agreements for a term of less than 6 months and may prohibit the rental of a parcel for more than three times in a calendar year, and such amendments shall apply to all parcel owners.

3. This paragraph does not affect the amendment restrictions for associations of 15 or fewer parcel owners under s. 720.303(1)(f) ~~s. 720.303(1)~~.

4. For purposes of this paragraph, a change of ownership does not occur when a parcel owner conveys the parcel to an affiliated entity, when beneficial ownership of the parcel does not change, or when an heir becomes the parcel owner. For

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purposes of this subparagraph, the term "affiliated entity" means an entity that controls, is controlled by, or is under common control with the parcel owner or that becomes a parent or successor entity by reason of transfer, merger, consolidation, public offering, reorganization, dissolution or sale of stock, or transfer of membership partnership interests. For a conveyance to be recognized as one made to an affiliated entity, the entity must furnish to the association a document certifying that this subparagraph applies and provide any organizational documents for the parcel owner and the affiliated entity which support the representations in the certificate, as requested by the association.

5. For purposes of this paragraph, a change of ownership does occur when, with respect to a parcel owner that is a business entity, every person that owned an interest in the real property at the time of the enactment of the amendment or rule conveys their interest in the real property to an unaffiliated entity.

**Section 8. Section 720.311, Florida Statutes, is amended to read:**

720.311 Dispute resolution.—

(1) 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 tolls

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340 ~~or the serving of a demand for presuit mediation as provided for~~  
341 ~~in this section shall toll~~ the applicable statute of  
342 limitations. Any recall dispute filed with the department under  
343 s. 720.303(10) must ~~shall~~ be conducted by the department in  
344 accordance with ~~the provisions of~~ ss. 718.112(2)(1) and 718.1255  
345 and the rules adopted by the division. In addition, the  
346 department shall conduct binding arbitration of election  
347 disputes between a member and an association in accordance with  
348 s. 718.1255 and rules adopted by the division. Election disputes  
349 and recall disputes ~~are not eligible for presuit mediation;~~  
350 ~~these disputes~~ must be arbitrated by the department or filed in  
351 a court of competent jurisdiction. The arbitration proceeding  
352 must be conducted by a department arbitrator or by a private  
353 arbitrator certified by the department. At the conclusion of an  
354 arbitration proceeding, the department shall charge the parties  
355 a fee in an amount adequate to cover all costs and expenses  
356 incurred by the department in conducting the proceeding.  
357 Initially, the petitioner shall remit a filing fee of at least  
358 \$200 to the department. The fees paid to the department shall  
359 become a recoverable cost in the arbitration proceeding, and the  
360 prevailing party in an arbitration proceeding shall recover its  
361 reasonable costs and attorney fees in an amount found reasonable  
362 by the arbitrator. The department shall adopt rules to  
363 effectuate the purposes of this section.

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~~(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, fine, or other financial obligation, including 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~~

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~~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:~~

~~STATUTORY OFFER TO PARTICIPATE~~~~IN PRESUIT MEDIATION~~

~~The alleged aggrieved party, ....., hereby demands that ....., as the responding party, engage in mandatory presuit mediation in connection with the following disputes, which by statute are of a type that are subject to presuit mediation:~~

~~(List specific nature of the dispute or disputes to be mediated and the authority supporting a finding of a violation as to each dispute.)~~

~~Pursuant to section 720.311, Florida Statutes, this demand to resolve the dispute through presuit~~

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~~mediation is required before a lawsuit can be filed concerning the dispute. Pursuant to the statute, the parties are required to engage in presuit mediation with a neutral third party mediator in order to attempt to resolve this dispute without court action, and the aggrieved party demands that you likewise agree to this process. If you fail to participate in the mediation process, suit may be brought against you without further warning.~~

~~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~~

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~~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 not be entitled to recover attorney's fees, even if you prevail.~~

~~The aggrieved party has selected and hereby lists five certified mediators who we believe to be neutral and qualified to mediate the dispute. You have the right to select any one of these mediators. The fact that one party may be familiar with one or more of the listed mediators does not mean that the mediator cannot act as a neutral and impartial facilitator. Any mediator who cannot act in this capacity is required ethically to decline to accept engagement. The mediators that we suggest, and their current hourly rates, are as follows:~~

~~(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.)~~

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~~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.~~

~~Unless otherwise agreed by the parties, section 720.311(2) (b), Florida Statutes, requires that the parties share the costs of presuit mediation equally, including the fee charged by the mediator. An average mediation may require three to four hours of the mediator's time, including some preparation time, and the parties would need to share equally the mediator's fees as well as their own attorney's fees if they choose to employ an attorney in connection with the mediation. However, use of an attorney is not required and is at the option of each party. The mediators may require the advance payment of some or all of the anticipated fees. The aggrieved party hereby agrees to pay or prepay one-half of the mediator's estimated fees and to forward this amount or such other reasonable advance deposits as the mediator requires for this purpose. Any funds deposited will be returned to you if these are in excess of your share of the fees incurred.~~

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~~To begin your participation in presuit mediation to try to resolve the dispute and avoid further legal action, please sign below and clearly indicate which mediator is acceptable to you. We will then ask the mediator to schedule a mutually convenient time and place for the mediation conference to be held. The mediation conference must be held within ninety (90) days of this date, unless extended by mutual written agreement. In the event that you fail to respond within 20 days from the date of this letter, or if you fail to agree to at least one of the mediators that we have suggested or to pay or prepay to the mediator one-half of the costs involved, the aggrieved party will be authorized to proceed with the filing of a lawsuit against you without further notice and may seek an award of attorney's fees or costs incurred in attempting to obtain mediation. Therefore, please give this matter your immediate attention. By law, your response must be mailed by certified mail, return receipt requested, and by first-class mail to the address shown on this demand.~~

~~.....~~

~~.....~~

~~RESPONDING PARTY: YOUR SIGNATURE INDICATES YOUR AGREEMENT TO THAT CHOICE.~~

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~~AGREEMENT TO MEDIATE~~

~~The undersigned hereby agrees to participate in  
presuit mediation and agrees to attend a mediation  
conducted by the following mediator or mediators who  
are listed above as someone who would be acceptable to  
mediate this dispute:~~

~~(List acceptable mediator or mediators.)~~

~~I/we further agree to pay or prepay one-half of the  
mediator's fees and to forward such advance deposits  
as the mediator may require for this purpose.~~

~~.....~~

~~Signature of responding party #1~~

~~.....~~

~~Telephone contact information~~

~~.....~~

~~Signature and telephone contact information of  
responding party #2 (if applicable) (if property is  
owned by more than one person, all owners must sign)~~

~~(b) Service of the statutory demand to participate in  
presuit mediation shall be effected by sending a letter in  
substantial conformity with the above form by certified mail,  
return receipt requested, with an additional copy being sent by  
regular first-class mail, to the address of the responding party  
as it last appears on the books and records of the association.  
The responding party has 20 days from the date of the mailing of~~

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~~the statutory demand to serve a response to the aggrieved party in writing. The response shall be served by certified mail, return receipt requested, with an additional copy being sent by regular first-class mail, to the address shown on the statutory demand. Notwithstanding the foregoing, once the parties have agreed on a mediator, the mediator may reschedule the mediation for a date and time mutually convenient to the parties. The parties shall share the costs of presuit mediation equally, including the fee charged by the mediator, if any, unless the parties agree otherwise, and the mediator may require advance payment of its reasonable fees and costs. The failure of any party to respond to a demand or response, to agree upon a mediator, to make payment of fees and costs within the time established by the mediator, or to appear for a scheduled mediation session without the approval of the mediator, shall constitute the failure or refusal to participate in the mediation process and shall operate as an impasse in the presuit mediation by such party, entitling the other party to proceed in court and to seek an award of the costs and fees associated with the mediation. Additionally, notwithstanding the provisions of any other law or document, persons who fail or refuse to participate in the entire mediation process may not recover attorney's fees and costs in subsequent litigation relating to the dispute. If any presuit mediation session cannot be scheduled and conducted within 90 days after the offer to~~

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562 ~~participate in mediation was filed, an impasse shall be deemed~~  
563 ~~to have occurred unless both parties agree to extend this~~  
564 ~~deadline.~~

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

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587 ~~(3)(d) An A mediator or arbitrator is shall be~~ authorized  
588 to conduct ~~mediation or~~ arbitration under this section only if  
589 he or she has been certified as a circuit court civil ~~mediator~~  
590 ~~or arbitrator, respectively,~~ pursuant to the requirements  
591 established by the Florida Supreme Court. ~~Settlement agreements~~  
592 ~~resulting from mediation shall not have precedential value in~~  
593 ~~proceedings involving parties other than those participating in~~  
594 ~~the mediation to support either a claim or defense in other~~  
595 ~~disputes.~~

596 ~~(e) The presuit mediation procedures provided by this~~  
597 ~~subsection may be used by a Florida corporation responsible for~~  
598 ~~the operation of a community in which the voting members are~~  
599 ~~parcel owners or their representatives, in which membership in~~  
600 ~~the corporation is not a mandatory condition of parcel~~  
601 ~~ownership, or which is not authorized to impose an assessment~~  
602 ~~that may become a lien on the parcel.~~

603 **Section 9. Section 720.319, Florida Statutes, is created**  
604 **to read:**

605 720.319 Dissolution of homeowners' association.—

606 (1) This section may be cited as the "Homeowners'  
607 Association Dissolution and Accountability Act."

608 (2) The Legislature finds that:

609 (a) Homeowners' associations are created as authorized by  
610 general law and are subject to covenants that encumber the land  
611 and restrict the use of real property.

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612       (b) In some circumstances, the continued enforcement of  
613 those covenants may no longer serve the homeowners' or  
614 community's interest and it is the public policy of this state  
615 to provide by general law a method to preserve the value of the  
616 property interests and the rights of alienation thereof that  
617 homeowners have in their parcels before and after termination.

618       (c) It is contrary to the public policy of this state to  
619 require the continued operation of a homeowners' association  
620 when such continuation is made impossible by law or regulation.

621       (d) It is in the best interest of this state to provide  
622 for termination of the declaration of covenants in certain  
623 circumstances in order to:

624       1. Prevent covenants from impairing the continued  
625 productive use of the property.

626       2. Provide fair treatment and just compensation for parcel  
627 owners and preserve property values and the local property tax  
628 base.

629       3. Preserve the state's long history of protecting  
630 homestead property rights by ensuring that such protection is  
631 extended to parcel owners whose parcel is their homestead in the  
632 context of a termination of a declaration of covenants for an  
633 association.

634       (3) A homeowners' association may be terminated by a plan  
635 of termination that meets the requirements of this section and

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is approved by a community association court program under s.  
720.32.

(4) A plan of termination is subject to the following  
conditions:

(a) The total voting interests of the association must  
include all voting interests for the purpose of considering a  
plan of termination. A voting interest of the association may  
not be suspended for any reason when voting on termination under  
this section.

(b) If the members reject a plan of termination, a  
subsequent plan of termination under this section may not be  
considered for at least 18 months after the date of the  
rejection.

(c) A plan of termination must be approved by at least  
two-thirds of the total voting interests of the association.

(d) A parcel owner desiring to reject a plan of  
termination must do so by either voting in person or by proxy to  
reject the plan or by delivering a written objection to the  
association before or at the meeting called under subsection  
(5).

(5) (a) A parcel owner who wishes to terminate a  
homeowners' association in which he or she is a member must  
provide to the board of administration a petition for a plan of  
termination that is signed by at least 50 percent of the voting  
members of the association. The board must hold a meeting of the

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members within 60 days after receipt of the signed petition. A voting interest of the association may not be suspended for any reason for purposes of signing the petition or determining whether the 50 percent threshold for such petition has been met under this paragraph.

(b) Notice of such meeting must be made in accordance with s. 720.303(2) and include the following information:

1. A copy of the proposed plan of dissolution.
2. An explanation of how the common areas and the assets of the association will be managed or transferred.
3. The manner in which voting will take place.

(c) If the board fails to call a meeting within the 60-day time period, any member may petition a community association court program under s. 720.32 or, if a community association court program does not exist in the judicial circuit in which the association is located, another court of competent jurisdiction for an order compelling compliance with this section.

(6) If a plan of termination is approved, the board must submit such plan to the community association court program in the judicial circuit in which the association is located or, if a community association court program does not exist, another court of competent jurisdiction. The court shall examine the plan of termination and determine its procedural sufficiency and, within 45 days after receipt of the plan, notify the

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association by mail of any procedural deficiencies or that the plan is accepted. If notice is not provided within the 45-day time period, the plan of termination is deemed accepted. If the court determines that the conditions required by this section have been met and that the plan of termination complies with the procedural requirements of this section, the court must authorize the termination and the termination may proceed as authorized in this section.

(7) (a) A plan of termination and the consents or joinders of parcel owners must be recorded in the public records of each county in which any portion of the association is located. The plan is effective only upon recordation or at a later date specified in the plan.

(b) Upon recordation or at a later date specified in the plan of termination, title to the association property vests in a termination trustee. The board serves as such trustee unless another person is appointed in the plan of termination. If the board is not the termination trustee, the board must transfer any association property to such trustee. The termination trustee is vested with the powers given by the declaration and bylaws of the association and subsection (9). If the board is unable, unwilling, or fails to act as termination trustee, a parcel owner may petition the community association court program to appoint a termination trustee.

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710       (8) If the board fails to hold the meeting under  
711       subsection (5), obstructs the termination process, or refuses to  
712       record the decision of the members to terminate, a member may  
713       file a petition with the community association court program in  
714       the judicial circuit in which the association is located or, if  
715       a community association court program does not exist, another  
716       court of competent jurisdiction. A community association court  
717       program may do all of the following:

718           (a) Verify compliance with the procedural requirements of  
719           this section and all statutory voting requirements.

720           (b) Order the Department of State to dissolve the  
721           homeowners' association.

722           (c) Appoint a termination trustee to manage the  
723           distribution of assets and resolution of liabilities.

724       (9) The approval of the plan of termination does not  
725       terminate the board of administration, which shall continue in  
726       existence following approval of the plan of termination with all  
727       powers and duties such board had before approval of the plan.  
728       Notwithstanding any provision to the contrary in the declaration  
729       or bylaws, after approval of the plan of termination the board  
730       must:

731           (a) Employ directors, agents, attorneys, and other  
732           professionals to liquidate or conclude the board's affairs.

733           (b) Conduct the affairs of the association as necessary  
734           for the liquidation or termination.

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735 (c) Carry out contracts and collect, pay, and settle debts  
736 and claims for and against the association.

737 (d) Defend suits brought against the association.

738 (e) Sue in the name of the association for all sums due or  
739 owed to the association or to recover any association property.

740 (f) Perform any act necessary to maintain, repair, or  
741 demolish unsafe or uninhabitable improvements or other  
742 association property in compliance with applicable codes.

743 (g) Sell at public or private sale or exchange, convey, or  
744 otherwise dispose of assets of the association for an amount  
745 deemed to be in the best interests of the association, and  
746 execute bills of sale and deeds of conveyance in the name of the  
747 association.

748 (h) Collect and receive rents, profits, accounts  
749 receivable, income, maintenance fees, special assessments, or  
750 insurance proceeds for the association.

751 (i) Contract and do anything in the name of the  
752 association which is proper or convenient to terminate the  
753 affairs of the association.

754 (10)(a) All remaining association assets after the payment  
755 of any lawful debts must be distributed equally among members or  
756 as otherwise provided in the plan of termination.

757 (b) A member may not be subject to personal liability for  
758 unpaid obligations beyond the member's regular assessments or

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759 special assessments that existed before the vote for  
760 termination.

761 (11) (a) The following actions by an association or the  
762 officers or directors thereof are unlawful:

763 1. Failing to call or notice a meeting after receipt of a  
764 valid petition for a plan of termination.

765 2. Spending association funds to campaign for or against  
766 the plan of termination.

767 3. Concealing any financial or property records relevant  
768 to the plan of termination.

769 (b) An officer or a director who violates paragraph (a) is  
770 subject to any of the following:

771 1. A civil penalty of up to \$5,000 per violation.

772 2. Removal from office by court order.

773 3. Personal liability for legal fees incurred by the  
774 petitioners.

775 **Section 10. Section 720.32, Florida Statutes, is created**  
776 **to read:**

777 720.32 Community association court program.—

778 (1) It is the intent of the Legislature to encourage and  
779 support the judicial circuits of the state to create and  
780 maintain a community association court program in each judicial  
781 circuit. The purpose of a community association court program is  
782 to address disputes that arise between community associations  
783 and the members thereof or between members within a community

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784 association. It is the intent of the Legislature that this  
785 section provides a detailed statewide standard for the creation,  
786 operation, and procedures for community association court  
787 programs.

788 (2) A circuit court may create and administer a community  
789 association court program. The chief judge shall designate at  
790 least one judge to preside over the community association court  
791 program. The chief judge may issue administrative orders  
792 concerning the community association court program.

793 (3) The community association court program has  
794 jurisdiction over disputes, including any related termination or  
795 enforcement proceedings, arising under any of the following:

796 (a) Chapter 718, the Condominium Act.

797 (b) Chapter 719, the Cooperative Act.

798 (c) Chapter 720, the Homeowners' Association Act.

799 (4) The community association court program may do all of  
800 the following:

801 (a) Enforce all statutory rights of unit owners and parcel  
802 owners.

803 (b) Verify and compel compliance with all statutory  
804 requirements by community associations, boards of  
805 administration, and officers or directors of such boards.

806 (c) Order the Department of State to dissolve a community  
807 association.

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(d) Appoint a termination trustee to manage the distribution of association assets and resolution of liabilities.

(e) Impose civil penalties for violations of statutory rights.

(f) Issue injunctive relief as appropriate.

(g) Award reasonable attorney fees and costs as appropriate.

(5) By January 1 of each year, the chief judge in each judicial circuit in which a community association court program is created shall submit to the President of the Senate and the Speaker of the House of Representatives a report that summarizes the caseload of each community association court program and the outcomes of such caseload.

(6) The Office of the State Courts Administrator shall establish procedure, staffing, and reporting requirements for the operation of the community association court program.

(7) The costs associated with the creation, operation, and compliance and enforcement duties of the community association court program shall be funded through a general revenue appropriation to the department.

**Section 11. Paragraph (d) of subsection (1) of section 34.01, Florida Statutes, is amended to read:**

34.01 Jurisdiction of county court.—

(1) County courts shall have original jurisdiction:

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(d) Of disputes occurring in the homeowners' associations  
~~as described in s. 720.311(2)(a)~~, which shall be concurrent with  
jurisdiction of the circuit courts.

**Section 12. Paragraph (a) of subsection (1) of section  
336.125, Florida Statutes, is amended to read:**

336.125 Closing and abandonment of roads; optional  
conveyance to homeowners' association; traffic control  
jurisdiction.—

(1)(a) In addition to the authority provided in s. 336.12,  
the governing body of the county may abandon the roads and  
rights-of-way dedicated in a recorded residential subdivision  
plat and simultaneously convey the county's interest in such  
roads, rights-of-way, and appurtenant drainage facilities to a  
homeowners' association for the subdivision, if the following  
conditions have been met:

1. The homeowners' association has requested the  
abandonment and conveyance in writing for the purpose of  
converting the subdivision to a gated neighborhood with  
restricted public access.

2. No fewer than four-fifths of the owners of record of  
property located in the subdivision have consented in writing to  
the abandonment and simultaneous conveyance to the homeowners'  
association.

3. The homeowners' association is both a corporation not  
for profit organized and in good standing under chapter 617, and

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a "homeowners' association" as defined in s. 720.301 ~~s.~~  
~~720.301(9)~~ with the power to levy and collect assessments for  
routine and periodic major maintenance and operation of street  
lighting, drainage, sidewalks, and pavement in the subdivision.

4. The homeowners' association has entered into and  
executed such agreements, covenants, warranties, and other  
instruments; has provided, or has provided assurance of, such  
funds, reserve funds, and funding sources; and has satisfied  
such other requirements and conditions as may be established or  
imposed by the county with respect to the ongoing operation,  
maintenance, and repair and the periodic reconstruction or  
replacement of the roads, drainage, street lighting, and  
sidewalks in the subdivision after the abandonment by the  
county.

**Section 13. Subsection (2) of section 558.002, Florida  
Statutes, is amended to read:**

558.002 Definitions.—As used in this chapter, the term:  
(2) "Association" has the same meaning as in s. 718.103,  
s. 719.103(2), s.720.301(10) ~~s. 720.301(9)~~, or s. 723.075.

**Section 14. Subsection (6) of section 617.0601, Florida  
Statutes, is amended to read:**

617.0601 Members, generally.—  
(6) Subsections (1), (2), (3), and (4) do not apply to a  
corporation that is an association as defined in s. 720.301(10)  
~~s. 720.301~~.

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**Section 15. Subsection (6) of section 617.0701, Florida Statutes, is amended to read:**

617.0701 Meetings of members, generally; failure to hold annual meeting; special meeting; consent to corporate actions without meetings; waiver of notice of meetings.—

(6) Subsections (1) and (3) do not apply to any corporation that is an association as defined in s. 720.301(10) ~~s. 720.301~~; a corporation regulated by chapter 718, chapter 719, chapter 720, chapter 721, or chapter 723; or a corporation where membership in such corporation is required pursuant to a document recorded in the county property records.

**Section 16. Subsection (7) of section 617.0721, Florida Statutes, is amended to read:**

617.0721 Voting by members.—

(7) Subsections (1), (5), and (6) do not apply to a corporation that is an association, as defined in s.720.301(10) ~~s. 720.301~~, or a corporation regulated by chapter 718 or chapter 719.

**Section 17. Section 617.0725, Florida Statutes, is amended to read:**

617.0725 Quorum.—An amendment to the articles of incorporation or the bylaws which adds, changes, or deletes a greater or lesser quorum or voting requirement must meet the same quorum or voting requirement and be adopted by the same vote and voting groups required to take action under the quorum

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and voting requirements then in effect or proposed to be adopted, whichever is greater. This section does not apply to any corporation that is an association, as defined in s. 720.301(10) ~~s. 720.301(9)~~, or any corporation regulated under chapter 718 or chapter 719.

**Section 18. Subsection (3) of section 617.0808, Florida Statutes, is amended to read:**

617.0808 Removal of directors.—

(3) This section does not apply to any corporation that is an association, as defined in s. 720.301(10) ~~s. 720.301~~, or a corporation regulated under chapter 718 or chapter 719.

**Section 19. Section 617.1606, Florida Statutes, is amended to read:**

617.1606 Access to records.—Sections 617.1601–617.1605 do not apply to a corporation that is an association, as defined in s. 720.301(10) ~~s. 720.301~~, or a corporation regulated under chapter 718 or chapter 719.

**Section 20. Paragraph (b) of subsection (1) of section 718.116, Florida Statutes, is amended to read:**

718.116 Assessments; liability; lien and priority; interest; collection.—

(1)

(b)1. The liability of a first mortgagee or its successor or assignees who acquire title to a unit by foreclosure or by deed in lieu of foreclosure for the unpaid assessments that

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became due before the mortgagee's acquisition of title is limited to the lesser of:

a. The unit's unpaid common expenses and regular periodic assessments which accrued or came due during the 12 months immediately preceding the acquisition of title and for which payment in full has not been received by the association; or

b. One percent of the original mortgage debt. The provisions of this paragraph apply only if the first mortgagee joined the association as a defendant in the foreclosure action. Joinder of the association is not required if, on the date the complaint is filed, the association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the mortgagee.

2. An association, or its successor or assignee, that acquires title to a unit through the foreclosure of its lien for assessments is not liable for any unpaid assessments, late fees, interest, or reasonable attorney's fees and costs that came due before the association's acquisition of title in favor of any other association, as defined in s. 718.103 or s. 720.301(10) ~~s. 720.301(9)~~, which holds a superior lien interest on the unit. This subparagraph is intended to clarify existing law.

**Section 21. Paragraph (d) of subsection (2) of section 720.3085, Florida Statutes, is amended to read:**

720.3085 Payment for assessments; lien claims.—

(2)

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(d) An association, or its successor or assignee, that acquires title to a parcel through the foreclosure of its lien for assessments is not liable for any unpaid assessments, late fees, interest, or reasonable attorney's fees and costs that came due before the association's acquisition of title in favor of any other association, as defined in s. 718.103 or s. 720.301(10) ~~s. 720.301(9)~~, which holds a superior lien interest on the parcel. This paragraph is intended to clarify existing law.

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**T I T L E   A M E N D M E N T**

Remove lines 26-82 and insert:  
presuit mediation requirements; amending s. 720.301, F.S.; defining the term "financial statements";  
amending s. 720.302, F.S.; conforming a provision to changes made by the act; amending s. 720.303, F.S.;  
requiring homeowners' associations to include a specified statement in the governing documents or to hold a meeting by a date certain to vote to amend the governing documents to include such statement;  
requiring a vote held at such meeting to be approved by a certain amount of the voting interests; providing that directors, officers, and committee members of a homeowners' association owe a duty of loyalty to such

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983 association and its members; requiring a director, an  
984 officer, or a committee member who has a conflict of  
985 interest to disclose to the board such conflict in  
986 writing; prohibiting such director, officer, or member  
987 from participating in any discussion or vote on such  
988 matter; authorizing an association to void a  
989 transaction involving a conflict of interest;  
990 providing an exception; providing a rebuttable  
991 presumption; providing construction; amending s.  
992 720.306, F.S.; conforming a cross-reference; amending  
993 s. 720.311, F.S.; removing presuit mediation  
994 requirements; requiring that specified arbitrators  
995 conduct arbitration proceedings; creating s. 720.319,  
996 F.S.; providing a short title; providing legislative  
997 findings; authorizing a homeowners' association to be  
998 terminated; providing requirements for the termination  
999 of a homeowners' association; providing conditions for  
1000 a plan of termination; requiring an approved plan of  
1001 termination be submitted to a community association  
1002 court program and recorded in the public records of  
1003 each county in which the association is located;  
1004 providing duties and responsibilities of a termination  
1005 trustee; authorizing a member to file a petition with  
1006 a community association court program under certain  
1007 circumstances; authorizing a community association

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1008 court program to take certain actions; providing  
1009 responsibilities of the board after approval of a plan  
1010 of termination; providing for the distribution of  
1011 assets and paying of lawful debts after an association  
1012 is terminated; specifying unlawful actions by an  
1013 association or its officers or directors; providing  
1014 penalties; creating s. 720.32, F.S.; providing  
1015 legislative intent; authorizing circuit courts to  
1016 create and administer a community association court  
1017 program; providing duties of the chief judge;  
1018 providing the jurisdiction of the community  
1019 association court program; authorizing the community  
1020 association court program to take certain actions;  
1021 requiring the chief judge of certain judicial circuits  
1022 to submit to the Legislature a specified report  
1023 annually by a specified date; providing duties of the  
1024 Office of the State Courts Administrator; providing  
1025 that certain costs associated with the community  
1026 association court program be funded through an  
1027 appropriation to the Department of Business and  
1028 Professional Regulation; amending s. 34.01, F.S.;  
1029 conforming a provision to changes made by the act;  
1030 amending ss. 336.125, 558.002, 617.0601, 617.0701,  
1031 617.0721, 617.0725, 617.0808, 617.1606, 718.116, and  
1032 720.3085, F.S.; conforming cross-references;