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1 A bill to be entitled
2 An act relating to community associations; creating s.
3 633.2225, F.S.; requiring certain condominium or
4 cooperative associations to post certain signs or
5 symbols on buildings; requiring the State Fire Marshal
6 to adopt rules governing such signs or symbols;
7 providing enforcement; providing penalties; amending
8 s. 718.111, F.S.; prohibiting an officer, director, or
9 manager from soliciting, offering to accept, or
10 accepting a kickback for which consideration has not
11 been provided; providing criminal penalties; requiring
12 that an officer or director charged with certain
13 crimes be removed from office; providing requirements
14 for filling the vacancy left by such removal;
15 prohibiting such officer or director from being
16 appointed or elected or having access to official
17 condominium association records for a specified time;
18 providing an exception; requiring an officer or
19 director to be reinstated if the charges are resolved
20 without a finding of guilt; prohibiting an association
21 from hiring an attorney who represents the management
22 company of the association; prohibiting a board
23 member, manager, or management company from purchasing
24 a unit at a foreclosure sale under certain
25 circumstances; revising recordkeeping requirements;
26 providing that the official records of an association
27 are open to inspection by an association member's
28 authorized representative; providing that a renter of
29 a unit has a right to inspect and copy the

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30 association's bylaws and rules; providing requirements
31 relating to the posting of specified documents on an
32 association's website; providing a remedy for an
33 association's failure to provide a unit owner with a
34 copy of the most recent financial report; revising
35 reporting requirements; requiring the Division of
36 Florida Condominiums, Timeshares, and Mobile Homes to
37 maintain and provide copies of financial reports;
38 prohibiting a condominium association and its
39 officers, directors, employees, and agents from using
40 a debit card issued in the name of the association, or
41 billed directly to the association, for the payment of
42 any association expense; providing that the use of
43 such debit card for any expense that is not a lawful
44 obligation of the association may be prosecuted as
45 credit card fraud; amending s. 718.112, F.S.;
46 authorizing an association to adopt rules for posting
47 certain notices on a website; revising provisions
48 relating to required condominium and cooperative
49 association bylaws; revising provisions relating to
50 evidence of condominium and cooperative association
51 compliance with the fire and life safety code;
52 revising unit and common elements required to be
53 retrofitted; revising provisions relating to an
54 association vote to forego retrofitting; providing
55 applicability; amending s. 718.113, F.S.; revising
56 voting requirements relating to alterations and
57 additions to certain common elements or association
58 property; amending s. 718.117, F.S.; revising

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59 legislative findings; revising voting requirements for
60 the rejection of a plan of termination; increasing the
61 length of time to consider a plan of termination under
62 certain conditions; revising the requirements to
63 qualify for payment as a homestead owner if the owner
64 has rejected a plan of termination; revising and
65 providing notice requirements; providing
66 applicability; amending s. 718.707, F.S.; revising the
67 time period for classification as bulk assignee or
68 bulk buyer; amending s. 719.104, F.S.; revising
69 recordkeeping and reporting requirements; amending s.
70 719.1055, F.S.; revising provisions relating to
71 required condominium and cooperative association
72 bylaws; revising provisions relating to evidence of
73 condominium and cooperative association compliance
74 with the fire and life safety code; revising unit and
75 common elements required to be retrofitted; revising
76 provisions relating to an association vote to forego
77 retrofitting; providing applicability; amending s.
78 719.106, F.S.; revising requirements to serve as a
79 board member; prohibiting a board member from voting
80 via e-mail; requiring that directors who are
81 delinquent in certain payments owed in excess of
82 certain periods of time be deemed to have abandoned
83 their offices; authorizing an association to adopt
84 rules for posting certain notices on a website;
85 amending s. 719.107, F.S.; specifying certain services
86 that are obtained pursuant to a bulk contract to be
87 deemed a common expense; amending s. 720.303, F.S.;

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88 prohibiting a board member from voting via e-mail;
89 revising certain notice requirements relating to board
90 meetings; revising financial reporting requirements;
91 authorizing an association to adopt rules for posting
92 certain notices on a website; amending s. 720.306,
93 F.S.; revising elections requirements; amending s.
94 720.3085, F.S.; providing applicability; providing an
95 effective date.

96
97 Be It Enacted by the Legislature of the State of Florida:

98
99 Section 1. Section 633.2225, Florida Statutes, is created
100 to read:

101 633.2225 Condominium and cooperative buildings without
102 sprinkler systems; notice requirements; enforcement.-

103 (1) The board of a condominium or cooperative association
104 that operates a building of three stories or more that has not
105 installed a sprinkler system in the common areas of the building
106 shall mark the building with a sign or symbol approved by the
107 State Fire Marshal in a manner sufficient to warn persons
108 conducting fire control and other emergency operations of the
109 lack of a sprinkler system in the common areas.

110 (2) The State Fire Marshal shall:

111 (a) Ensure that the dimensions and placement of the sign or
112 symbol do not diminish the aesthetic value of the building; and

113 (b) Adopt rules necessary to implement the provisions of
114 this section, including, but not limited to:

115 1. The dimensions and color of such sign or symbol.

116 2. The time within which the condominium or cooperative

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117 buildings without sprinkler systems shall be marked as required
118 by this section.

119 3. The location on each condominium or cooperative building
120 without a sprinkler system where such sign or symbol must be
121 posted.

122 (3) The State Fire Marshal, and local fire officials in
123 accordance with s. 633.118, shall enforce this section. An
124 association that fails to comply with the requirements of this
125 section is subject to penalties as provided in s. 633.228.

126 Section 2. Paragraphs (a) and (d) of subsection (1),
127 subsections (3), (9), (12), and (13) of section 718.111, Florida
128 Statutes, are amended, and subsection (15) is added to that
129 section, to read:

130 718.111 The association.—

131 (1) CORPORATE ENTITY.—

132 (a) The operation of the condominium shall be by the
133 association, which must be a Florida corporation for profit or a
134 Florida corporation not for profit. However, any association
135 which was in existence on January 1, 1977, need not be
136 incorporated. The owners of units shall be shareholders or
137 members of the association. The officers and directors of the
138 association have a fiduciary relationship to the unit owners. It
139 is the intent of the Legislature that nothing in this paragraph
140 shall be construed as providing for or removing a requirement of
141 a fiduciary relationship between any manager employed by the
142 association and the unit owners. An officer, director, or
143 manager may not solicit, offer to accept, or accept any thing or
144 service of value or kickback for which consideration has not
145 been provided for his or her own benefit or that of his or her

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146 immediate family, from any person providing or proposing to
147 provide goods or services to the association. Any such officer,
148 director, or manager who knowingly so solicits, offers to
149 accept, or accepts any thing or service of value or kickback is
150 subject to a civil penalty pursuant to s. 718.501(1)(d) and, if
151 applicable, a criminal penalty as provided in paragraph (d).

152 However, this paragraph does not prohibit an officer, director,
153 or manager from accepting services or items received in
154 connection with trade fairs or education programs. An
155 association may operate more than one condominium.

156 (d) As required by s. 617.0830, an officer, director, or
157 agent shall discharge his or her duties in good faith, with the
158 care an ordinarily prudent person in a like position would
159 exercise under similar circumstances, and in a manner he or she
160 reasonably believes to be in the interests of the association.
161 An officer, director, or agent shall be liable for monetary
162 damages as provided in s. 617.0834 if such officer, director, or
163 agent breached or failed to perform his or her duties and the
164 breach of, or failure to perform, his or her duties constitutes
165 a violation of criminal law as provided in s. 617.0834;
166 constitutes a transaction from which the officer or director
167 derived an improper personal benefit, either directly or
168 indirectly; or constitutes recklessness or an act or omission
169 that was in bad faith, with malicious purpose, or in a manner
170 exhibiting wanton and willful disregard of human rights, safety,
171 or property. Forgery of a ballot envelope or voting certificate
172 used in a condominium association election is punishable as
173 provided in s. 831.01, the theft or embezzlement of funds of a
174 condominium association is punishable as provided in s. 812.014,

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175 and the destruction of or the refusal to allow inspection or
176 copying of an official record of a condominium association which
177 is accessible to unit owners within the timeframe required by
178 general law in furtherance of any crime is punishable as
179 tampering with physical evidence as provided in s. 918.13 or as
180 obstruction of justice as provided in chapter 843. An officer or
181 director charged by information or indictment with a crime
182 referenced in this paragraph must be removed from office, and
183 the vacancy shall be filled as provided in s. 718.112(2)(d)2.
184 until the end of the officer's or director's period of
185 suspension or the end of his or her term of office, whichever
186 occurs first. If a criminal charge is pending against the
187 officer or director, he or she may not be appointed or elected
188 to a position as an officer or a director of any association and
189 may not have access to the official records of any association,
190 except pursuant to a court order. However, if the charges are
191 resolved without a finding of guilt, the officer or director
192 must be reinstated for the remainder of his or her term of
193 office, if any.

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

196 (a) The association may contract, sue, or be sued with
197 respect to the exercise or nonexercise of its powers. For these
198 purposes, the powers of the association include, but are not
199 limited to, the maintenance, management, and operation of the
200 condominium property. After control of the association is
201 obtained by unit owners other than the developer, the
202 association may institute, maintain, settle, or appeal actions
203 or hearings in its name on behalf of all unit owners concerning

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204 matters of common interest to most or all unit owners,
205 including, but not limited to, the common elements; the roof and
206 structural components of a building or other improvements;
207 mechanical, electrical, and plumbing elements serving an
208 improvement or a building; representations of the developer
209 pertaining to any existing or proposed commonly used facilities;
210 and protesting ad valorem taxes on commonly used facilities and
211 on units; and may defend actions in eminent domain or bring
212 inverse condemnation actions. If the association has the
213 authority to maintain a class action, the association may be
214 joined in an action as representative of that class with
215 reference to litigation and disputes involving the matters for
216 which the association could bring a class action. Nothing herein
217 limits any statutory or common-law right of any individual unit
218 owner or class of unit owners to bring any action without
219 participation by the association which may otherwise be
220 available.

221 (b) An association may not hire an attorney who represents
222 the management company of the association.

223 (9) PURCHASE OF UNITS.—The association has the power,
224 unless prohibited by the declaration, articles of incorporation,
225 or bylaws of the association, to purchase units in the
226 condominium and to acquire and hold, lease, mortgage, and convey
227 them. There shall be no limitation on the association's right to
228 purchase a unit at a foreclosure sale resulting from the
229 association's foreclosure of its lien for unpaid assessments, or
230 to take title by deed in lieu of foreclosure. However, except
231 for a timeshare condominium, a board member, manager, or
232 management company may not purchase a unit at a foreclosure sale

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233 resulting from the association's foreclosure of its lien for
234 unpaid assessments or take title by deed in lieu of foreclosure.

235 (12) OFFICIAL RECORDS.—

236 (a) From the inception of the association, the association
237 shall maintain each of the following items, if applicable, which
238 constitutes the official records of the association:

239 1. A copy of the plans, permits, warranties, and other
240 items provided by the developer pursuant to s. 718.301(4).

241 2. A photocopy of the recorded declaration of condominium
242 of each condominium operated by the association and each
243 amendment to each declaration.

244 3. A photocopy of the recorded bylaws of the association
245 and each amendment to the bylaws.

246 4. A certified copy of the articles of incorporation of the
247 association, or other documents creating the association, and
248 each amendment thereto.

249 5. A copy of the current rules of the association.

250 6. A book or books that contain the minutes of all meetings
251 of the association, the board of administration, and the unit
252 owners, which minutes must be retained for at least 7 years.

253 7. A current roster of all unit owners and their mailing
254 addresses, unit identifications, and voting certifications, and,
255 if known, telephone numbers. The association shall also maintain
256 the electronic mailing addresses and facsimile numbers of unit
257 owners consenting to receive notice by electronic transmission.
258 The electronic mailing addresses and facsimile numbers are not
259 accessible to unit owners if consent to receive notice by
260 electronic transmission is not provided in accordance with sub-
261 subparagraph (c)3.e. ~~subparagraph (c)5.~~ However, the association

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262 is not liable for an inadvertent disclosure of the electronic
263 mail address or facsimile number for receiving electronic
264 transmission of notices.

265 8. All current insurance policies of the association and
266 condominiums operated by the association.

267 9. A current copy of any management agreement, lease, or
268 other contract to which the association is a party or under
269 which the association or the unit owners have an obligation or
270 responsibility.

271 10. Bills of sale or transfer for all property owned by the
272 association.

273 11. Accounting records for the association and separate
274 accounting records for each condominium that the association
275 operates. All accounting records must be maintained for at least
276 7 years. Any person who knowingly or intentionally defaces or
277 destroys such records, or who knowingly or intentionally fails
278 to create or maintain such records, with the intent of causing
279 harm to the association or one or more of its members, is
280 personally subject to a civil penalty pursuant to s.

281 718.501(1)(d). The accounting records must include, but are not
282 limited to:

283 a. Accurate, itemized, and detailed records of all receipts
284 and expenditures.

285 b. A current account and a monthly, bimonthly, or quarterly
286 statement of the account for each unit designating the name of
287 the unit owner, the due date and amount of each assessment, the
288 amount paid on the account, and the balance due.

289 c. All audits, reviews, accounting statements, and
290 financial reports of the association or condominium.

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291 d. All contracts for work to be performed. Bids for work to
292 be performed are also considered official records and must be
293 maintained by the association.

294 12. Ballots, sign-in sheets, voting proxies, and all other
295 papers and electronic records relating to voting by unit owners,
296 which must be maintained for 1 year from the date of the
297 election, vote, or meeting to which the document relates,
298 notwithstanding paragraph (b).

299 13. All rental records if the association is acting as
300 agent for the rental of condominium units.

301 14. A copy of the current question and answer sheet as
302 described in s. 718.504.

303 15. All other written records of the association not
304 specifically included in the foregoing which are related to the
305 operation of the association.

306 16. A copy of the inspection report as described in s.
307 718.301(4) (p).

308 17. Bids for materials, equipment, or services.

309 (b) The official records of the association must be
310 maintained within the state for at least 7 years. The records of
311 the association shall be made available to a unit owner within
312 45 miles of the condominium property or within the county in
313 which the condominium property is located within 10 ~~5~~ working
314 days after receipt of a written request by the board or its
315 designee. However, such distance requirement does not apply to
316 an association governing a timeshare condominium. This paragraph
317 may be complied with by having a copy of the official records of
318 the association available for inspection or copying on the
319 condominium property or association property, or the association

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320 may offer the option of making the records available to a unit
321 owner electronically via the Internet or by allowing the records
322 to be viewed in electronic format on a computer screen and
323 printed upon request. The association is not responsible for the
324 use or misuse of the information provided to an association
325 member or his or her authorized representative pursuant to the
326 compliance requirements of this chapter unless the association
327 has an affirmative duty not to disclose such information
328 pursuant to this chapter.

329 (c)1. The official records of the association are open to
330 inspection by any association member or the authorized
331 representative of such member at all reasonable times. The right
332 to inspect the records includes the right to make or obtain
333 copies, at the reasonable expense, if any, of the member or
334 authorized representative of such member. A renter of a unit has
335 a right to inspect and copy the association's bylaws and rules.
336 The association may adopt reasonable rules regarding the
337 frequency, time, location, notice, and manner of record
338 inspections and copying. The failure of an association to
339 provide the records within 10 working days after receipt of a
340 written request creates a rebuttable presumption that the
341 association willfully failed to comply with this paragraph. A
342 unit owner who is denied access to official records is entitled
343 to the actual damages or minimum damages for the association's
344 willful failure to comply. Minimum damages are \$50 per calendar
345 day for up to 10 days, beginning on the 11th working day after
346 receipt of the written request. The failure to permit inspection
347 entitles any person prevailing in an enforcement action to
348 recover reasonable attorney fees from the person in control of

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349 the records who, directly or indirectly, knowingly denied access
350 to the records.

351 2. Any person who knowingly or intentionally defaces or
352 destroys accounting records that are required by this chapter to
353 be maintained during the period for which such records are
354 required to be maintained, or who knowingly or intentionally
355 fails to create or maintain accounting records that are required
356 to be created or maintained, with the intent of causing harm to
357 the association or one or more of its members, is personally
358 subject to a civil penalty pursuant to s. 718.501(1)(d).

359 3. The association shall maintain an adequate number of
360 copies of the declaration, articles of incorporation, bylaws,
361 and rules, and all amendments to each of the foregoing, as well
362 as the question and answer sheet as described in s. 718.504 and
363 year-end financial information required under this section, on
364 the condominium property to ensure their availability to unit
365 owners and prospective purchasers, and may charge its actual
366 costs for preparing and furnishing these documents to those
367 requesting the documents. An association shall allow a member or
368 his or her authorized representative to use a portable device,
369 including a smartphone, tablet, portable scanner, or any other
370 technology capable of scanning or taking photographs, to make an
371 electronic copy of the official records in lieu of the
372 association's providing the member or his or her authorized
373 representative with a copy of such records. The association may
374 not charge a member or his or her authorized representative for
375 the use of a portable device. Notwithstanding this paragraph,
376 the following records are not accessible to unit owners:

377 a.1. Any record protected by the lawyer-client privilege as

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378 described in s. 90.502 and any record protected by the work-
379 product privilege, including a record prepared by an association
380 attorney or prepared at the attorney's express direction, which
381 reflects a mental impression, conclusion, litigation strategy,
382 or legal theory of the attorney or the association, and which
383 was prepared exclusively for civil or criminal litigation or for
384 adversarial administrative proceedings, or which was prepared in
385 anticipation of such litigation or proceedings until the
386 conclusion of the litigation or proceedings.

387 b.2. Information obtained by an association in connection
388 with the approval of the lease, sale, or other transfer of a
389 unit.

390 c.3. Personnel records of association or management company
391 employees, including, but not limited to, disciplinary, payroll,
392 health, and insurance records. For purposes of this sub-
393 subparagraph ~~subparagraph~~, the term "personnel records" does not
394 include written employment agreements with an association
395 employee or management company, or budgetary or financial
396 records that indicate the compensation paid to an association
397 employee.

398 d.4. Medical records of unit owners.

399 e.5. Social security numbers, driver license numbers,
400 credit card numbers, e-mail addresses, telephone numbers,
401 facsimile numbers, emergency contact information, addresses of a
402 unit owner other than as provided to fulfill the association's
403 notice requirements, and other personal identifying information
404 of any person, excluding the person's name, unit designation,
405 mailing address, property address, and any address, e-mail
406 address, or facsimile number provided to the association to

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407 fulfill the association's notice requirements. Notwithstanding
408 the restrictions in this sub-subparagraph ~~subparagraph~~, an
409 association may print and distribute to parcel owners a
410 directory containing the name, parcel address, and all telephone
411 numbers of each parcel owner. However, an owner may exclude his
412 or her telephone numbers from the directory by so requesting in
413 writing to the association. An owner may consent in writing to
414 the disclosure of other contact information described in this
415 sub-subparagraph ~~subparagraph~~. The association is not liable for
416 the inadvertent disclosure of information that is protected
417 under this sub-subparagraph ~~subparagraph~~ if the information is
418 included in an official record of the association and is
419 voluntarily provided by an owner and not requested by the
420 association.

421 f.6. Electronic security measures that are used by the
422 association to safeguard data, including passwords.

423 g.7. The software and operating system used by the
424 association which allow the manipulation of data, even if the
425 owner owns a copy of the same software used by the association.
426 The data is part of the official records of the association.

427 (d) The association shall prepare a question and answer
428 sheet as described in s. 718.504, and shall update it annually.

429 (e)1. The association or its authorized agent is not
430 required to provide a prospective purchaser or lienholder with
431 information about the condominium or the association other than
432 information or documents required by this chapter to be made
433 available or disclosed. The association or its authorized agent
434 may charge a reasonable fee to the prospective purchaser,
435 lienholder, or the current unit owner for providing good faith

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436 responses to requests for information by or on behalf of a
437 prospective purchaser or lienholder, other than that required by
438 law, if the fee does not exceed \$150 plus the reasonable cost of
439 photocopying and any attorney's fees incurred by the association
440 in connection with the response.

441 2. An association and its authorized agent are not liable
442 for providing such information in good faith pursuant to a
443 written request if the person providing the information includes
444 a written statement in substantially the following form: "The
445 responses herein are made in good faith and to the best of my
446 ability as to their accuracy."

447 (f) An outgoing board or committee member must relinquish
448 all official records and property of the association in his or
449 her possession or under his or her control to the incoming board
450 within 5 days after the election. The division shall impose a
451 civil penalty as set forth in s. 718.501(1)(d)6. against an
452 outgoing board or committee member who willfully and knowingly
453 fails to relinquish such records and property.

454 (g)1. By July 1, 2018, an association with 150 or more
455 units which does not manage timeshare units shall post digital
456 copies of the documents specified in subparagraph 2. on its
457 website.

458 a. The association's website must be:

459 (I) An independent website or web portal wholly owned and
460 operated by the association; or

461 (II) A website or web portal operated by a third-party
462 provider with whom the association owns, leases, rents, or
463 otherwise obtains the right to operate a web page, subpage, web
464 portal, or collection of subpages or web portals dedicated to

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465 the association's activities and on which required notices,
466 records, and documents may be posted by the association.

467 b. The association's website must be accessible through the
468 Internet and must contain a subpage, web portal, or other
469 protected electronic location that is inaccessible to the
470 general public and accessible only to unit owners and employees
471 of the association.

472 c. Upon a unit owner's written request, the association
473 must provide the unit owner with a username and password and
474 access to the protected sections of the association's website
475 which contain any notices, records, or documents that must be
476 electronically provided.

477 2. A current copy of the following documents must be posted
478 in digital format on the association's website:

479 a. The recorded declaration of condominium of each
480 condominium operated by the association and each amendment to
481 each declaration.

482 b. The recorded bylaws of the association and each
483 amendment to the bylaws.

484 c. The articles of incorporation of the association, or
485 other documents creating the association, and each amendment
486 thereto. The copy posted pursuant to this sub-subparagraph must
487 be a copy of the articles of incorporation filed with the
488 Department of State.

489 d. The rules of the association.

490 e. Any management agreement, lease, or other contract to
491 which the association is a party or under which the association
492 or the unit owners have an obligation or responsibility.

493 Summaries of bids for materials, equipment, or services must be

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494 maintained on the website for 1 year.

495 f. The annual budget required by s. 718.112(2) (f) and any
496 proposed budget to be considered at the annual meeting.

497 g. The financial report required by subsection (13) and any
498 proposed financial report to be considered at a meeting.

499 h. The certification of each director required by s.
500 718.112(2) (d) 4.b.

501 i. All contracts or transactions between the association
502 and any director, officer, corporation, firm, or association
503 that is not an affiliated condominium association or any other
504 entity in which an association director is also a director or
505 officer and is financially interested.

506 j. Any contract or document regarding a conflict of
507 interest or possible conflict of interest as provided in ss.
508 468.436(2) and 718.3026(3).

509 k. The notice of any unit owner meeting and the agenda for
510 the meeting, as required by s. 718.112(2) (d) 3., no later than 14
511 days before the meeting. The notice must be posted in plain view
512 on the front page of the website, or on a separate subpage of
513 the website labeled "Notices" which is conspicuously visible and
514 linked from the front page. The association must also post on
515 its website any document to be considered and voted on by the
516 owners during the meeting or any document listed on the agenda
517 at least 7 days before the meeting at which the document or the
518 information within the document will be considered.

519 l. Notice of any board meeting, the agenda, and any other
520 document required for the meeting as required by s.
521 718.112(2) (c), which must be posted no later than the date
522 required for notice pursuant to s. 718.112(2) (c).

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523 3. The association shall ensure that the information and
524 records described in paragraph (c) which are not permitted to be
525 accessible to unit owners are not posted on the association's
526 website. If protected information or information restricted from
527 being accessible to unit owners is included in documents that
528 are required to be posted on the association's website, the
529 association shall ensure the information is redacted before
530 posting the documents online.

531 (13) FINANCIAL REPORTING.—Within 90 days after the end of
532 the fiscal year, or annually on a date provided in the bylaws,
533 the association shall prepare and complete, or contract for the
534 preparation and completion of, a financial report for the
535 preceding fiscal year. Within 21 days after the final financial
536 report is completed by the association or received from the
537 third party, but not later than 120 days after the end of the
538 fiscal year or other date as provided in the bylaws, the
539 association shall mail to each unit owner at the address last
540 furnished to the association by the unit owner, or hand deliver
541 to each unit owner, a copy of the most recent financial report
542 or a notice that a copy of the most recent financial report will
543 be mailed or hand delivered to the unit owner, without charge,
544 within 5 business days after ~~upon~~ receipt of a written request
545 from the unit owner. The division shall adopt rules setting
546 forth uniform accounting principles and standards to be used by
547 all associations and addressing the financial reporting
548 requirements for multicondominium associations. The rules must
549 include, but not be limited to, standards for presenting a
550 summary of association reserves, including a good faith estimate
551 disclosing the annual amount of reserve funds that would be

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552 necessary for the association to fully fund reserves for each
553 reserve item based on the straight-line accounting method. This
554 disclosure is not applicable to reserves funded via the pooling
555 method. In adopting such rules, the division shall consider the
556 number of members and annual revenues of an association.

557 Financial reports shall be prepared as follows:

558 (a) An association that meets the criteria of this
559 paragraph shall prepare a complete set of financial statements
560 in accordance with generally accepted accounting principles. The
561 financial statements must be based upon the association's total
562 annual revenues, as follows:

563 1. An association with total annual revenues of \$150,000 or
564 more, but less than \$300,000, shall prepare compiled financial
565 statements.

566 2. An association with total annual revenues of at least
567 \$300,000, but less than \$500,000, shall prepare reviewed
568 financial statements.

569 3. An association with total annual revenues of \$500,000 or
570 more shall prepare audited financial statements.

571 (b)1. An association with total annual revenues of less
572 than \$150,000 shall prepare a report of cash receipts and
573 expenditures.

574 ~~2. An association that operates fewer than 50 units,
575 regardless of the association's annual revenues, shall prepare a
576 report of cash receipts and expenditures in lieu of financial
577 statements required by paragraph (a).~~

578 2.3. A report of cash receipts and disbursements must
579 disclose the amount of receipts by accounts and receipt
580 classifications and the amount of expenses by accounts and

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581 expense classifications, including, but not limited to, the
582 following, as applicable: costs for security, professional and
583 management fees and expenses, taxes, costs for recreation
584 facilities, expenses for refuse collection and utility services,
585 expenses for lawn care, costs for building maintenance and
586 repair, insurance costs, administration and salary expenses, and
587 reserves accumulated and expended for capital expenditures,
588 deferred maintenance, and any other category for which the
589 association maintains reserves.

590 (c) An association may prepare, without a meeting of or
591 approval by the unit owners:

592 1. Compiled, reviewed, or audited financial statements, if
593 the association is required to prepare a report of cash receipts
594 and expenditures;

595 2. Reviewed or audited financial statements, if the
596 association is required to prepare compiled financial
597 statements; or

598 3. Audited financial statements if the association is
599 required to prepare reviewed financial statements.

600 (d) If approved by a majority of the voting interests
601 present at a properly called meeting of the association, an
602 association may prepare:

603 1. A report of cash receipts and expenditures in lieu of a
604 compiled, reviewed, or audited financial statement;

605 2. A report of cash receipts and expenditures or a compiled
606 financial statement in lieu of a reviewed or audited financial
607 statement; or

608 3. A report of cash receipts and expenditures, a compiled
609 financial statement, or a reviewed financial statement in lieu

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610 of an audited financial statement.

611

612 Such meeting and approval must occur before the end of the
613 fiscal year and is effective only for the fiscal year in which
614 the vote is taken, except that the approval may also be
615 effective for the following fiscal year. If the developer has
616 not turned over control of the association, all unit owners,
617 including the developer, may vote on issues related to the
618 preparation of the association's financial reports, from the
619 date of incorporation of the association through the end of the
620 second fiscal year after the fiscal year in which the
621 certificate of a surveyor and mapper is recorded pursuant to s.
622 718.104(4)(e) or an instrument that transfers title to a unit in
623 the condominium which is not accompanied by a recorded
624 assignment of developer rights in favor of the grantee of such
625 unit is recorded, whichever occurs first. Thereafter, all unit
626 owners except the developer may vote on such issues until
627 control is turned over to the association by the developer. Any
628 audit or review prepared under this section shall be paid for by
629 the developer if done before turnover of control of the
630 association. ~~An association may not waive the financial
631 reporting requirements of this section for more than 3
632 consecutive years.~~

633 (e) A unit owner may provide written notice to the division
634 of the association's failure to mail or hand deliver to him or
635 her a copy of the most recent financial report within 5 business
636 days after he or she submitted a written request to the
637 association for a copy of such report. If the division
638 determines that the association failed to mail or hand deliver a

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639 copy of the most recent financial report to the unit owner, the
640 division shall provide written notice to the association that
641 the association must mail or hand deliver a copy of the most
642 recent financial report to the unit owner and the division
643 within 5 business days after it receives such notice from the
644 division. An association that fails to comply with the
645 division's request may not waive the financial reporting
646 requirement provided in paragraph (d). A financial report
647 received by the division pursuant to this paragraph shall be
648 maintained, and the division shall provide a copy of such report
649 to an association member upon his or her request.

650 (15) DEBIT CARDS.—

651 (a) An association and its officers, directors, employees,
652 and agents may not use a debit card issued in the name of the
653 association, or billed directly to the association, for the
654 payment of any association expense.

655 (b) Use of a debit card issued in the name of the
656 association, or billed directly to the association, for any
657 expense that is not a lawful obligation of the association may
658 be prosecuted as credit card fraud pursuant to s. 817.61.

659 Section 3. Paragraphs (c) and (l) of subsection (2) of
660 section 718.112, Florida Statutes, are amended to read:

661 718.112 Bylaws.—

662 (2) REQUIRED PROVISIONS.—The bylaws shall provide for the
663 following and, if they do not do so, shall be deemed to include
664 the following:

665 (c) *Board of administration meetings.*—Meetings of the board
666 of administration at which a quorum of the members is present
667 are open to all unit owners. Members of the board of

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668 administration may use e-mail as a means of communication but
669 may not cast a vote on an association matter via e-mail. A unit
670 owner may tape record or videotape the meetings. The right to
671 attend such meetings includes the right to speak at such
672 meetings with reference to all designated agenda items. The
673 division shall adopt reasonable rules governing the tape
674 recording and videotaping of the meeting. The association may
675 adopt written reasonable rules governing the frequency,
676 duration, and manner of unit owner statements.

677 1. Adequate notice of all board meetings, which must
678 specifically identify all agenda items, must be posted
679 conspicuously on the condominium property at least 48 continuous
680 hours before the meeting except in an emergency. If 20 percent
681 of the voting interests petition the board to address an item of
682 business, the board, within 60 days after receipt of the
683 petition, shall place the item on the agenda at its next regular
684 board meeting or at a special meeting called for that purpose.
685 An item not included on the notice may be taken up on an
686 emergency basis by a vote of at least a majority plus one of the
687 board members. Such emergency action must be noticed and
688 ratified at the next regular board meeting. Notice of any
689 meeting in which a regular or special assessment against unit
690 owners is to be considered must specifically state that
691 assessments will be considered and provide the estimated amount
692 and a description of the purposes for such assessments. ~~However,~~
693 Written notice of a meeting at which a nonemergency special
694 assessment or an amendment to rules regarding unit use will be
695 considered must be mailed, delivered, or electronically
696 transmitted to the unit owners and posted conspicuously on the

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697 condominium property at least 14 days before the meeting.
698 Evidence of compliance with this 14-day notice requirement must
699 be made by an affidavit executed by the person providing the
700 notice and filed with the official records of the association.
701 Upon notice to the unit owners, the board shall, by duly adopted
702 rule, designate a specific location on the condominium or
703 association property where all notices of board meetings must be
704 posted. If there is no condominium property or association
705 property where notices can be posted, notices shall be mailed,
706 delivered, or electronically transmitted to each unit owner at
707 least 14 days before the meeting. In lieu of or in addition to
708 the physical posting of the notice on the condominium property,
709 the association may, by reasonable rule, adopt a procedure for
710 conspicuously posting and repeatedly broadcasting the notice and
711 the agenda on a closed-circuit cable television system serving
712 the condominium association. However, if broadcast notice is
713 used in lieu of a notice physically posted on condominium
714 property, the notice and agenda must be broadcast at least four
715 times every broadcast hour of each day that a posted notice is
716 otherwise required under this section. If broadcast notice is
717 provided, the notice and agenda must be broadcast in a manner
718 and for a sufficient continuous length of time so as to allow an
719 average reader to observe the notice and read and comprehend the
720 entire content of the notice and the agenda. In addition to any
721 of the authorized means of providing notice of a meeting of the
722 board, the association may, by rule, adopt a procedure for
723 conspicuously posting the meeting notice and the agenda on a
724 website serving the condominium association for at least the
725 minimum period for which a notice of a meeting is required to be

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726 physically posted on the condominium property. Any rule adopted
727 must, in addition to other matters, include a requirement that
728 the association send an electronic notice in the same manner as
729 required for a notice for a meeting of the members, which must
730 include a hypertext link to the website where the notice is
731 posted, to unit owners whose e-mail addresses are included in
732 the association's official records ~~Notice of any meeting in~~
733 ~~which regular or special assessments against unit owners are to~~
734 ~~be considered must specifically state that assessments will be~~
735 ~~considered and provide the nature, estimated cost, and~~
736 ~~description of the purposes for such assessments.~~

737 2. Meetings of a committee to take final action on behalf
738 of the board or make recommendations to the board regarding the
739 association budget are subject to this paragraph. Meetings of a
740 committee that does not take final action on behalf of the board
741 or make recommendations to the board regarding the association
742 budget are subject to this section, unless those meetings are
743 exempted from this section by the bylaws of the association.

744 3. Notwithstanding any other law, the requirement that
745 board meetings and committee meetings be open to the unit owners
746 does not apply to:

747 a. Meetings between the board or a committee and the
748 association's attorney, with respect to proposed or pending
749 litigation, if the meeting is held for the purpose of seeking or
750 rendering legal advice; or

751 b. Board meetings held for the purpose of discussing
752 personnel matters.

753 (1) *Certificate of compliance.*—A provision that a
754 certificate of compliance from a licensed electrical contractor,

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755 ~~or~~ electrician, or professional engineer may be accepted by the
756 association's board as evidence of compliance ~~of the condominium~~
757 ~~units~~ with the applicable fire and life safety code must be
758 included. Notwithstanding chapter 633 or ~~of~~ any other code,
759 statute, ordinance, administrative rule, or regulation, or any
760 interpretation of the foregoing, an association, ~~residential~~
761 ~~condominium,~~ or unit owner is not obligated to retrofit the
762 common elements, association property, or units of a residential
763 condominium with a fire sprinkler system or other engineered
764 lifesafety system in a building that is 75 feet or less in
765 height. There is no obligation to retrofit for a building
766 greater than 75 feet in height, calculated from the lowest level
767 of fire department vehicle access to the floor of the highest
768 occupiable story, has been certified for occupancy by the
769 ~~applicable governmental entity~~ if the unit owners have voted to
770 forego such retrofitting by the affirmative vote of two-thirds a
771 ~~majority~~ of all voting interests in the affected condominium.
772 There is no requirement that owners in condominiums of 75 feet
773 or less conduct an opt-out vote, and such condominiums are
774 exempt from fire sprinkler or other engineered lifesafety
775 retrofitting. The preceding sentence is intended to clarify
776 existing law. The local authority having jurisdiction may not
777 require completion of retrofitting with a fire sprinkler system
778 or other engineered lifesafety system before January 1, 2022
779 2020. By December 31, 2018 ~~2016,~~ an a residential condominium
780 association that operates a residential condominium that is not
781 in compliance with the requirements for a fire sprinkler system
782 or other engineered lifesafety system and has not voted to
783 forego retrofitting of such a system must initiate an

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784 application for a building permit for the required installation
785 with the local government having jurisdiction demonstrating that
786 the association will become compliant by December 31, 2021 ~~2019~~.

787 1. A vote to forego required retrofitting may be obtained
788 by limited proxy or by a ballot personally cast at a duly called
789 membership meeting, ~~or~~ by execution of a written consent by the
790 member, or by electronic voting, and is effective upon recording
791 a certificate executed by an officer or agent of the association
792 attesting to such vote in the public records of the county where
793 the condominium is located. When an opt-out vote is to be
794 conducted at a meeting, the association shall mail or ~~hand~~
795 deliver to each unit owner written notice at least 14 days
796 before the membership meeting in which the vote to forego
797 retrofitting of the required fire sprinkler system or other
798 engineered lifesafety system is to take place. Within 30 days
799 after the association's opt-out vote, notice of the results of
800 the opt-out vote must be mailed or ~~hand~~ delivered to all unit
801 owners. Evidence of compliance with this notice requirement must
802 be made by affidavit executed by the person providing the notice
803 and filed among the official records of the association. Failure
804 to provide timely notice to unit owners does not invalidate an
805 otherwise valid opt-out vote if notice of the results is
806 provided to the owners. After notice is provided to each owner,
807 a copy must be provided by the current owner to a new owner
808 before closing and by a unit owner to a renter before signing a
809 lease.

810 2. If there has been a previous vote to forego
811 retrofitting, a vote to require retrofitting may be obtained at
812 a special meeting of the unit owners called by a petition of at

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813 least 10 percent of the voting interests or by a majority of the
814 board of directors. The approval of two-thirds of all voting
815 interests in the affected condominium is required to require
816 retrofitting. ~~Such a vote may only be called once every 3 years.~~
817 Notice shall be provided as required for any regularly called
818 meeting of the unit owners, and must state the purpose of the
819 meeting. ~~Electronic transmission may not be used to provide~~
820 ~~notice of a meeting called in whole or in part for this purpose.~~

821 3. As part of the information collected annually from
822 condominiums, the division shall require condominium
823 associations to report the membership vote and recording of a
824 certificate under this subsection and, if retrofitting has been
825 undertaken, the per-unit cost of such work. The division shall
826 annually report to the Division of State Fire Marshal of the
827 Department of Financial Services the number of condominiums that
828 have elected to forego retrofitting. Compliance with this
829 administrative reporting requirement does not affect the
830 validity of an opt-out vote.

831 4. Notwithstanding s. 553.509, a residential association
832 may not be obligated to, and may forego the retrofitting of, any
833 improvements required by s. 553.509(2) upon an affirmative vote
834 of a majority of the voting interests in the affected
835 condominium.

836 5. This paragraph does not apply to timeshare condominium
837 associations, which shall be governed by s. 721.24.

838 Section 4. Subsection (2) of section 718.113, Florida
839 Statutes, is amended to read:

840 718.113 Maintenance; limitation upon improvement; display
841 of flag; hurricane shutters and protection; display of religious

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842 decorations.—

843 (2) (a) Except as otherwise provided in this section, there
844 shall be no material alteration or substantial additions to the
845 common elements or to real property which is association
846 property, except in a manner provided in the declaration as
847 originally recorded or as amended under the procedures provided
848 therein. If the declaration as originally recorded or as amended
849 under the procedures provided therein does not specify the
850 procedure for approval of material alterations or substantial
851 additions, 75 percent of the total voting interests of the
852 association must approve the alterations or additions before the
853 material alterations or substantial additions are commenced.

854 This paragraph is intended to clarify existing law and applies
855 to associations existing on the effective date of this act
856 October 1, 2008.

857 (b) There shall not be any material alteration of, or
858 substantial addition to, the common elements of any condominium
859 operated by a multicondominium association unless approved in
860 the manner provided in the declaration of the affected
861 condominium or condominiums as originally recorded or as amended
862 under the procedures provided therein. If a declaration as
863 originally recorded or as amended under the procedures provided
864 therein does not specify a procedure for approving such an
865 alteration or addition, the approval of 75 percent of the total
866 voting interests of each affected condominium is required before
867 the material alterations or substantial additions are commenced.

868 This subsection does not prohibit a provision in any
869 declaration, articles of incorporation, or bylaws as originally
870 recorded or as amended under the procedures provided therein

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871 requiring the approval of unit owners in any condominium
872 operated by the same association or requiring board approval
873 before a material alteration or substantial addition to the
874 common elements is permitted. This paragraph is intended to
875 clarify existing law and applies to associations existing on the
876 effective date of this act.

877 (c) There shall not be any material alteration or
878 substantial addition made to association real property operated
879 by a multicondominium association, except as provided in the
880 declaration, articles of incorporation, or bylaws as originally
881 recorded or as amended under the procedures provided therein. If
882 the declaration, articles of incorporation, or bylaws as
883 originally recorded or as amended under the procedures provided
884 therein do not specify the procedure for approving an alteration
885 or addition to association real property, the approval of 75
886 percent of the total voting interests of the association is
887 required before the material alterations or substantial
888 additions are commenced. This paragraph is intended to clarify
889 existing law and applies to associations existing on the
890 effective date of this act.

891 Section 5. Subsections (1) and (3) of section 718.117,
892 Florida Statutes, are amended, and subsection (21) is added to
893 that section, to read:

894 718.117 Termination of condominium.—

895 (1) LEGISLATIVE FINDINGS.—The Legislature finds that:

896 (a) Condominiums are created as authorized by statute and
897 are subject to covenants that encumber the land and restrict the
898 use of real property.

899 (b) In some circumstances, the continued enforcement of

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900 those covenants ~~that~~ may create economic waste ~~or~~ areas of
901 disrepair which threaten the safety and welfare of the public,
902 or cause obsolescence of the ~~a condominium~~ property for its
903 intended use and thereby lower property tax values, and ~~the~~
904 ~~Legislature further finds that~~ it is the public policy of this
905 state to provide by statute a method to preserve the value of
906 the property interests and the rights of alienation thereof that
907 owners have in the condominium property before and after
908 termination.

909 (c) ~~The Legislature further finds that~~ It is contrary to
910 the public policy of this state to require the continued
911 operation of a condominium when to do so constitutes economic
912 waste or when the ability to do so is made impossible by law or
913 regulation.

914 (d) It is in the best interest of the state to provide for
915 termination of the covenants of a declaration of condominium in
916 certain circumstances, in order to:

917 1. Ensure the continued maintenance, management, and repair
918 of stormwater management systems, conservation areas, and
919 conservation easements.

920 2. Avoid transferring the expense of maintaining
921 infrastructure serving the condominium property, including, but
922 not limited to, stormwater systems and conservation areas, to
923 the general tax bases of the state and local governments.

924 3. Prevent covenants from impairing the continued
925 productive use of the property.

926 4. Protect state residents from health and safety hazards
927 created by derelict, damaged, obsolete, or abandoned condominium
928 properties.

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929 5. Provide for fair treatment and just compensation for
930 individuals, preserve property values, and preserve the local
931 property tax base.

932 6. Preserve the state's long history of protecting
933 homestead property and homestead property rights by ensuring
934 that such protection is extended to homestead property owners in
935 the context of a termination of the covenants of a declaration
936 of condominium ~~This section applies to all condominiums in this~~
937 ~~state in existence on or after July 1, 2007.~~

938 (3) OPTIONAL TERMINATION. ~~Except as provided in subsection~~
939 ~~(2) or unless the declaration provides for a lower percentage,~~
940 The condominium form of ownership may be terminated for all or a
941 portion of the condominium property pursuant to a plan of
942 termination meeting the requirements of this section and
943 approved by the division. Before a residential association
944 submits a plan to the division, the plan must be approved by at
945 least 80 percent of the total voting interests of the
946 condominium. However, if 5 ~~10~~ percent or more of the total
947 voting interests of the condominium have rejected the plan of
948 termination by negative vote or by providing written objections,
949 the plan of termination may not proceed.

950 (a) The termination of the condominium form of ownership is
951 subject to the following conditions:

952 1. The total voting interests of the condominium must
953 include all voting interests for the purpose of considering a
954 plan of termination. A voting interest of the condominium may
955 not be suspended for any reason when voting on termination
956 pursuant to this subsection.

957 2. If 5 ~~10~~ percent or more of the total voting interests of

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958 the condominium reject a plan of termination, a subsequent plan
959 of termination pursuant to this subsection may not be considered
960 for 24 ~~18~~ months after the date of the rejection.

961 (b) This subsection does not apply to any condominium
962 created pursuant to part VI of this chapter until 10 ~~5~~ years
963 after the recording of the declaration of condominium, unless
964 there is no objection to the plan of termination.

965 (c) For purposes of this subsection, the term "bulk owner"
966 means the single holder of such voting interests or an owner
967 together with a related entity or entities that would be
968 considered an insider, as defined in s. 726.102, holding such
969 voting interests. If the condominium association is a
970 residential association proposed for termination pursuant to
971 this section and, at the time of recording the plan of
972 termination, at least 80 percent of the total voting interests
973 are owned by a bulk owner, the plan of termination is subject to
974 the following conditions and limitations:

975 1. If the former condominium units are offered for lease to
976 the public after the termination, each unit owner in occupancy
977 immediately before the date of recording of the plan of
978 termination may lease his or her former unit and remain in
979 possession of the unit for 12 months after the effective date of
980 the termination on the same terms as similar unit types within
981 the property are being offered to the public. In order to obtain
982 a lease and exercise the right to retain exclusive possession of
983 the unit owner's former unit, the unit owner must make a written
984 request to the termination trustee to rent the former unit
985 within 90 days after the date the plan of termination is
986 recorded. Any unit owner who fails to timely make such written

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987 request and sign a lease within 15 days after being presented
988 with a lease is deemed to have waived his or her right to retain
989 possession of his or her former unit and shall be required to
990 vacate the former unit upon the effective date of the
991 termination, unless otherwise provided in the plan of
992 termination.

993 2. Any former unit owner whose unit was granted homestead
994 exemption status by the applicable county property appraiser as
995 of the date of the recording of the plan of termination shall be
996 paid a relocation payment in an amount equal to 1 percent of the
997 termination proceeds allocated to the owner's former unit. Any
998 relocation payment payable under this subparagraph shall be paid
999 by the single entity or related entities owning at least 80
1000 percent of the total voting interests. Such relocation payment
1001 shall be in addition to the termination proceeds for such
1002 owner's former unit and shall be paid no later than 10 days
1003 after the former unit owner vacates his or her former unit.

1004 3. For their respective units, all unit owners other than
1005 the bulk owner must be compensated at least 100 percent of the
1006 fair market value of their units. The fair market value shall be
1007 determined as of a date that is no earlier than 90 days before
1008 the date that the plan of termination is recorded and shall be
1009 determined by an independent appraiser selected by the
1010 termination trustee. For a person ~~an original purchaser from the~~
1011 ~~developer who rejects the plan of termination and~~ whose unit was
1012 granted homestead exemption status by the applicable county
1013 property appraiser, or was an owner-occupied operating business,
1014 as of the date that the plan of termination is recorded and who
1015 is current in payment of both assessments and other monetary

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1016 obligations to the association ~~and any mortgage encumbering the~~
1017 ~~unit~~ as of the date the plan of termination is recorded, the
1018 fair market value for the unit owner rejecting the plan shall be
1019 at least the original purchase price paid for the unit. For
1020 purposes of this subparagraph, the term "fair market value"
1021 means the price of a unit that a seller is willing to accept and
1022 a buyer is willing to pay on the open market in an arms-length
1023 transaction based on similar units sold in other condominiums,
1024 including units sold in bulk purchases but excluding units sold
1025 at wholesale or distressed prices. The purchase price of units
1026 acquired in bulk following a bankruptcy or foreclosure shall not
1027 be considered for purposes of determining fair market value.

1028 4. The plan of termination must provide for payment of a
1029 first mortgage encumbering a unit to the extent necessary to
1030 satisfy the lien, but the payment may not exceed the unit's
1031 share of the proceeds of termination under the plan. If the unit
1032 owner is current in payment of both assessments and other
1033 monetary obligations to the association and any mortgage
1034 encumbering the unit as of the date the plan of termination is
1035 recorded, the receipt by the holder of the unit's share of the
1036 proceeds of termination under the plan or the outstanding
1037 balance of the mortgage, whichever is less, shall be deemed to
1038 have satisfied the first mortgage in full.

1039 5. Before a plan of termination is presented to the unit
1040 owners for consideration pursuant to this paragraph, the plan
1041 must include the following written disclosures in a sworn
1042 statement:

1043 a. The identity of any person or entity that owns or
1044 controls 25 ~~50~~ percent or more of the units in the condominium

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1045 and, if the units are owned by an artificial entity or entities,
1046 a disclosure of the natural person or persons who, directly or
1047 indirectly, manage or control the entity or entities and the
1048 natural person or persons who, directly or indirectly, own or
1049 control 10 ~~20~~ percent or more of the artificial entity or
1050 entities that constitute the bulk owner.

1051 b. The units acquired by any bulk owner, the date each unit
1052 was acquired, and the total amount of compensation paid to each
1053 prior unit owner by the bulk owner, regardless of whether
1054 attributed to the purchase price of the unit.

1055 c. The relationship of any board member to the bulk owner
1056 or any person or entity affiliated with the bulk owner subject
1057 to disclosure pursuant to this subparagraph.

1058 d. The factual circumstances that show that the plan
1059 complies with the requirements of this section and that the plan
1060 supports the expressed public policies of this section.

1061 (d) If the members of the board of administration are
1062 elected by the bulk owner, unit owners other than the bulk owner
1063 may elect at least one-third of the members of the board of
1064 administration before the approval of any plan of termination.

1065 (e) Subsection (2) does not apply to optional termination
1066 pursuant to this subsection.

1067 (21) APPLICABILITY.—This section applies to all
1068 condominiums in this state in existence on or after July 1,
1069 2007.

1070 Section 6. The amendments made by this act to s. 718.117,
1071 Florida Statutes, are intended to clarify existing law, are
1072 remedial in nature and intended to address the rights and
1073 liabilities of the affected parties, and apply to all

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1074 condominiums created under the Condominium Act.

1075 Section 7. Section 718.707, Florida Statutes, is amended to
1076 read:

1077 718.707 Time limitation for classification as bulk assignee
1078 or bulk buyer.—A person acquiring condominium parcels may not be
1079 classified as a bulk assignee or bulk buyer unless the
1080 condominium parcels were acquired on or after July 1, 2010, ~~but~~
1081 ~~before July 1, 2018~~. The date of such acquisition shall be
1082 determined by the date of recording a deed or other instrument
1083 of conveyance for such parcels in the public records of the
1084 county in which the condominium is located, or by the date of
1085 issuing a certificate of title in a foreclosure proceeding with
1086 respect to such condominium parcels.

1087 Section 8. Paragraphs (a) and (b) of subsection (2) and
1088 paragraphs (b) and (c) of subsection (4) of section 719.104,
1089 Florida Statutes, are amended to read:

1090 719.104 Cooperatives; access to units; records; financial
1091 reports; assessments; purchase of leases.—

1092 (2) OFFICIAL RECORDS.—

1093 (a) From the inception of the association, the association
1094 shall maintain a copy of each of the following, where
1095 applicable, which shall constitute the official records of the
1096 association:

1097 1. The plans, permits, warranties, and other items provided
1098 by the developer pursuant to s. 719.301(4).

1099 2. A photocopy of the cooperative documents.

1100 3. A copy of the current rules of the association.

1101 4. A book or books containing the minutes of all meetings
1102 of the association, of the board of directors, and of the unit

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1103 owners, which minutes shall be retained for a period of not less
1104 than 7 years.

1105 5. A current roster of all unit owners and their mailing
1106 addresses, unit identifications, voting certifications, and, if
1107 known, telephone numbers. The association shall also maintain
1108 the electronic mailing addresses and the numbers designated by
1109 unit owners for receiving notice sent by electronic transmission
1110 of those unit owners consenting to receive notice by electronic
1111 transmission. The electronic mailing addresses and numbers
1112 provided by unit owners to receive notice by electronic
1113 transmission shall be removed from association records when
1114 consent to receive notice by electronic transmission is revoked.
1115 However, the association is not liable for an erroneous
1116 disclosure of the electronic mail address or the number for
1117 receiving electronic transmission of notices.

1118 6. All current insurance policies of the association.

1119 7. A current copy of any management agreement, lease, or
1120 other contract to which the association is a party or under
1121 which the association or the unit owners have an obligation or
1122 responsibility.

1123 8. Bills of sale or transfer for all property owned by the
1124 association.

1125 9. Accounting records for the association and separate
1126 accounting records for each unit it operates, according to good
1127 accounting practices. All accounting records shall be maintained
1128 for a period of not less than 7 years. The accounting records
1129 shall include, but not be limited to:

1130 a. Accurate, itemized, and detailed records of all receipts
1131 and expenditures.

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1132 b. A current account and a monthly, bimonthly, or quarterly
1133 statement of the account for each unit designating the name of
1134 the unit owner, the due date and amount of each assessment, the
1135 amount paid upon the account, and the balance due.

1136 c. All audits, reviews, accounting statements, and
1137 financial reports of the association.

1138 d. All contracts for work to be performed. Bids for work to
1139 be performed shall also be considered official records and shall
1140 be maintained for a period of 1 year.

1141 10. Ballots, sign-in sheets, voting proxies, and all other
1142 papers and electronic records relating to voting by unit owners,
1143 which shall be maintained for a period of 1 year after the date
1144 of the election, vote, or meeting to which the document relates.

1145 11. All rental records where the association is acting as
1146 agent for the rental of units.

1147 12. A copy of the current question and answer sheet as
1148 described in s. 719.504.

1149 13. All other written records of the association not
1150 specifically included in the foregoing which are related to the
1151 operation of the association.

1152 (b) The official records of the association must be
1153 maintained within the state for at least 7 years. The records of
1154 the association shall be made available to a unit owner within
1155 45 miles of the cooperative property or within the county in
1156 which the cooperative property is located within 10 ~~5~~ working
1157 days after receipt of written request by the board or its
1158 designee. This paragraph may be complied with by having a copy
1159 of the official records of the association available for
1160 inspection or copying on the cooperative property or the

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1161 association may offer the option of making the records available
1162 to a unit owner electronically via the Internet or by allowing
1163 the records to be viewed in an electronic format on a computer
1164 screen and printed upon request. The association is not
1165 responsible for the use or misuse of the information provided to
1166 an association member or his or her authorized representative
1167 pursuant to the compliance requirements of this chapter unless
1168 the association has an affirmative duty not to disclose such
1169 information pursuant to this chapter.

1170 (4) FINANCIAL REPORT.—

1171 (b) Except as provided in paragraph (c), an association
1172 whose total annual revenues meet the criteria of this paragraph
1173 shall prepare or cause to be prepared a complete set of
1174 financial statements according to the generally accepted
1175 accounting principles adopted by the Board of Accountancy. The
1176 financial statements shall be as follows:

1177 1. An association with total annual revenues between
1178 \$150,000 and \$299,999 shall prepare a compiled financial
1179 statement.

1180 2. An association with total annual revenues between
1181 \$300,000 and \$499,999 shall prepare a reviewed financial
1182 statement.

1183 3. An association with total annual revenues of \$500,000 or
1184 more shall prepare an audited financial statement.

1185 4. The requirement to have the financial statement
1186 compiled, reviewed, or audited does not apply to an association
1187 if a majority of the voting interests of the association present
1188 at a duly called meeting of the association have voted to waive
1189 this requirement for the fiscal year. In an association in which

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1190 turnover of control by the developer has not occurred, the
1191 developer may vote to waive the audit requirement for the first
1192 2 years of operation of the association, after which time waiver
1193 of an applicable audit requirement shall be by a majority of
1194 voting interests other than the developer. The meeting shall be
1195 held prior to the end of the fiscal year, and the waiver shall
1196 be effective for only one fiscal year. ~~An association may not~~
1197 ~~waive the financial reporting requirements of this section for~~
1198 ~~more than 3 consecutive years.~~

1199 (c)1. An association with total annual revenues of less
1200 than \$150,000 shall prepare a report of cash receipts and
1201 expenditures.

1202 ~~2. An association in a community of fewer than 50 units,~~
1203 ~~regardless of the association's annual revenues, shall prepare a~~
1204 ~~report of cash receipts and expenditures in lieu of the~~
1205 ~~financial statements required by paragraph (b), unless the~~
1206 ~~declaration or other recorded governing documents provide~~
1207 ~~otherwise.~~

1208 2.3. A report of cash receipts and expenditures must
1209 disclose the amount of receipts by accounts and receipt
1210 classifications and the amount of expenses by accounts and
1211 expense classifications, including the following, as applicable:
1212 costs for security, professional, and management fees and
1213 expenses; taxes; costs for recreation facilities; expenses for
1214 refuse collection and utility services; expenses for lawn care;
1215 costs for building maintenance and repair; insurance costs;
1216 administration and salary expenses; and reserves, if maintained
1217 by the association.

1218 Section 9. Subsection (5) of section 719.1055, Florida

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1219 Statutes, is amended to read:

1220 719.1055 Amendment of cooperative documents; alteration and
1221 acquisition of property.—

1222 (5) The bylaws must include a provision whereby a
1223 certificate of compliance from a licensed electrical contractor,
1224 ~~or~~ electrician, or professional engineer may be accepted by the
1225 association's board as evidence of compliance ~~of the cooperative~~
1226 ~~units~~ with the applicable fire and life safety code.

1227 (a)1. Notwithstanding chapter 633 or any other code,
1228 statute, ordinance, administrative rule, or regulation, or any
1229 interpretation of the foregoing, an association ~~a cooperative~~ or
1230 unit owner is not obligated to retrofit the common elements or
1231 units of a residential cooperative with a fire sprinkler system
1232 or other engineered lifesafety system in a building that is 75
1233 feet or less in height. There is no obligation to retrofit for a
1234 building greater than 75 feet in height, calculated from the
1235 lowest level of fire department vehicle access to the floor of
1236 the highest occupiable story, has been certified for occupancy
1237 ~~by the applicable governmental entity~~ if the unit owners have
1238 voted to forego such retrofitting by the affirmative vote of
1239 two-thirds a majority of all voting interests in the affected
1240 cooperative. There is no requirement that owners in cooperatives
1241 of 75 feet or less conduct an opt-out vote, and such
1242 cooperatives are exempt from fire sprinkler or other engineered
1243 life safety retrofitting. The preceding sentence is intended to
1244 clarify existing law. The local authority having jurisdiction
1245 may not require completion of retrofitting with a fire sprinkler
1246 system or other engineered life safety system before January 1,
1247 2022 ~~the end of 2019~~. By December 31, 2018 ~~2016~~, a cooperative

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1248 that is not in compliance with the requirements for a fire
1249 sprinkler system or other engineered lifesafety system and has
1250 not voted to forego retrofitting of such a system must initiate
1251 an application for a building permit for the required
1252 installation with the local government having jurisdiction
1253 demonstrating that the cooperative will become compliant by
1254 December 31, 2021 ~~2019~~.

1255 2. A vote to forego required retrofitting may be obtained
1256 by limited proxy or by a ballot personally cast at a duly called
1257 membership meeting, ~~or~~ by execution of a written consent by the
1258 member, or by electronic voting, and is effective upon recording
1259 a certificate executed by an officer or agent of the association
1260 attesting to such vote in the public records of the county where
1261 the cooperative is located. When the opt-out vote is to be
1262 conducted at a meeting, the cooperative shall mail or ~~hand~~
1263 deliver to each unit owner written notice at least 14 days
1264 before the membership meeting in which the vote to forego
1265 retrofitting of the required fire sprinkler system or other
1266 engineered lifesafety system is to take place. Within 30 days
1267 after the cooperative's opt-out vote, notice of the results of
1268 the opt-out vote must be mailed or ~~hand~~ delivered to all unit
1269 owners. Evidence of compliance with this notice requirement must
1270 be made by affidavit executed by the person providing the notice
1271 and filed among the official records of the cooperative. Failure
1272 to provide timely notice to unit owners does not invalidate an
1273 otherwise valid opt-out vote if notice of the results is
1274 provided to the owners. After notice is provided to each owner,
1275 a copy must be provided by the current owner to a new owner
1276 before closing and by a unit owner to a renter before signing a

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1277 lease.

1278 (b) If there has been a previous vote to forego
1279 retrofitting, a vote to require retrofitting may be obtained at
1280 a special meeting of the unit owners called by a petition of
1281 least 10 percent of the voting interests or by a majority of the
1282 board of directors. The approval of two-thirds of all voting
1283 interests in the affected condominium is required to require
1284 retrofitting. ~~Such vote may only be called once every 3 years.~~
1285 Notice must be provided as required for any regularly called
1286 meeting of the unit owners, and the notice must state the
1287 purpose of the meeting. ~~Electronic transmission may not be used~~
1288 ~~to provide notice of a meeting called in whole or in part for~~
1289 ~~this purpose.~~

1290 (c) As part of the information collected annually from
1291 cooperatives, the division shall require associations to report
1292 the membership vote and recording of a certificate under this
1293 subsection and, if retrofitting has been undertaken, the per-
1294 unit cost of such work. The division shall annually report to
1295 the Division of State Fire Marshal of the Department of
1296 Financial Services the number of cooperatives that have elected
1297 to forego retrofitting. Compliance with this administrative
1298 reporting requirement does not affect the validity of an opt-out
1299 vote.

1300 Section 10. Paragraphs (a) and (c) of subsection (1) of
1301 section 719.106, Florida Statutes, are amended, and paragraph
1302 (m) is added to that subsection, to read:

1303 719.106 Bylaws; cooperative ownership.—

1304 (1) MANDATORY PROVISIONS.—The bylaws or other cooperative
1305 documents shall provide for the following, and if they do not,

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1306 they shall be deemed to include the following:

1307 (a) *Administration.*—

1308 1. The form of administration of the association shall be
1309 described, indicating the titles of the officers and board of
1310 administration and specifying the powers, duties, manner of
1311 selection and removal, and compensation, if any, of officers and
1312 board members. In the absence of such a provision, the board of
1313 administration shall be composed of five members, except in the
1314 case of cooperatives having five or fewer units, in which case
1315 in not-for-profit corporations, the board shall consist of not
1316 fewer than three members. In a residential cooperative
1317 association of more than 10 units, coowners of a unit may not
1318 serve as members of the board of directors at the same time
1319 unless the coowners own more than one unit or unless there are
1320 not enough eligible candidates to fill the vacancies on the
1321 board at the time of the vacancy. In the absence of provisions
1322 to the contrary, the board of administration shall have a
1323 president, a secretary, and a treasurer, who shall perform the
1324 duties of those offices customarily performed by officers of
1325 corporations. Unless prohibited in the bylaws, the board of
1326 administration may appoint other officers and grant them those
1327 duties it deems appropriate. Unless otherwise provided in the
1328 bylaws, the officers shall serve without compensation and at the
1329 pleasure of the board. Unless otherwise provided in the bylaws,
1330 the members of the board shall serve without compensation.

1331 2. A person who has been suspended or removed by the
1332 division under this chapter, or who is delinquent in the payment
1333 of any monetary obligation due to the association, is not
1334 eligible to be a candidate for board membership and may not be

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1335 listed on the ballot. A director or officer charged by
1336 information or indictment with a felony theft or embezzlement
1337 offense involving the association's funds or property is
1338 suspended from office. The board shall fill the vacancy
1339 according to general law until the end of the period of the
1340 suspension or the end of the director's term of office,
1341 whichever occurs first. However, if the charges are resolved
1342 without a finding of guilt or without acceptance of a plea of
1343 guilty or nolo contendere, the director or officer shall be
1344 reinstated for any remainder of his or her term of office. A
1345 member who has such criminal charges pending may not be
1346 appointed or elected to a position as a director or officer. A
1347 person who has been convicted of any felony in this state or in
1348 any United States District Court, or who has been convicted of
1349 any offense in another jurisdiction which would be considered a
1350 felony if committed in this state, is not eligible for board
1351 membership unless such felon's civil rights have been restored
1352 for at least 5 years as of the date such person seeks election
1353 to the board. The validity of an action by the board is not
1354 affected if it is later determined that a board member is
1355 ineligible for board membership due to having been convicted of
1356 a felony.

1357 3. When a unit owner files a written inquiry by certified
1358 mail with the board of administration, the board shall respond
1359 in writing to the unit owner within 30 days of receipt of the
1360 inquiry. The board's response shall either give a substantive
1361 response to the inquirer, notify the inquirer that a legal
1362 opinion has been requested, or notify the inquirer that advice
1363 has been requested from the division. If the board requests

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1364 advice from the division, the board shall, within 10 days of its
1365 receipt of the advice, provide in writing a substantive response
1366 to the inquirer. If a legal opinion is requested, the board
1367 shall, within 60 days after the receipt of the inquiry, provide
1368 in writing a substantive response to the inquirer. The failure
1369 to provide a substantive response to the inquirer as provided
1370 herein precludes the board from recovering attorney's fees and
1371 costs in any subsequent litigation, administrative proceeding,
1372 or arbitration arising out of the inquiry. The association may,
1373 through its board of administration, adopt reasonable rules and
1374 regulations regarding the frequency and manner of responding to
1375 the unit owners' inquiries, one of which may be that the
1376 association is obligated to respond to only one written inquiry
1377 per unit in any given 30-day period. In such case, any
1378 additional inquiry or inquiries must be responded to in the
1379 subsequent 30-day period, or periods, as applicable.

1380 (c) *Board of administration meetings.*—Members of the board
1381 of administration may use e-mail as a means of communication but
1382 may not cast a vote on an association matter via e-mail.

1383 Meetings of the board of administration at which a quorum of the
1384 members is present shall be open to all unit owners. Any unit
1385 owner may tape record or videotape meetings of the board of
1386 administration. The right to attend such meetings includes the
1387 right to speak at such meetings with reference to all designated
1388 agenda items. The division shall adopt reasonable rules
1389 governing the tape recording and videotaping of the meeting. The
1390 association may adopt reasonable written rules governing the
1391 frequency, duration, and manner of unit owner statements.
1392 Adequate notice of all meetings shall be posted in a conspicuous

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1393 place upon the cooperative property at least 48 continuous hours
1394 preceding the meeting, except in an emergency. Any item not
1395 included on the notice may be taken up on an emergency basis by
1396 at least a majority plus one of the members of the board. Such
1397 emergency action shall be noticed and ratified at the next
1398 regular meeting of the board. Notice of any meeting in which
1399 regular or special assessments against unit owners are to be
1400 considered must specifically state that assessments will be
1401 considered and provide the estimated amount and description of
1402 the purposes for such assessments. ~~However,~~ Written notice of
1403 any meeting at which nonemergency special assessments, or at
1404 which amendment to rules regarding unit use, will be considered
1405 shall be mailed, delivered, or electronically transmitted to the
1406 unit owners and posted conspicuously on the cooperative property
1407 not less than 14 days before the meeting. Evidence of compliance
1408 with this 14-day notice shall be made by an affidavit executed
1409 by the person providing the notice and filed among the official
1410 records of the association. Upon notice to the unit owners, the
1411 board shall by duly adopted rule designate a specific location
1412 on the cooperative property upon which all notices of board
1413 meetings shall be posted. In lieu of or in addition to the
1414 physical posting of notice of any meeting of the board of
1415 administration on the cooperative property, the association may,
1416 by reasonable rule, adopt a procedure for conspicuously posting
1417 and repeatedly broadcasting the notice and the agenda on a
1418 closed-circuit cable television system serving the cooperative
1419 association. However, if broadcast notice is used in lieu of a
1420 notice posted physically on the cooperative property, the notice
1421 and agenda must be broadcast at least four times every broadcast

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1422 hour of each day that a posted notice is otherwise required
1423 under this section. When broadcast notice is provided, the
1424 notice and agenda must be broadcast in a manner and for a
1425 sufficient continuous length of time so as to allow an average
1426 reader to observe the notice and read and comprehend the entire
1427 content of the notice and the agenda. In addition to any of the
1428 authorized means of providing notice of a meeting of the board,
1429 the association may, by rule, adopt a procedure for
1430 conspicuously posting the meeting notice and the agenda on a
1431 website serving the cooperative association for at least the
1432 minimum period for which a notice of a meeting is required to be
1433 physically posted on the cooperative property. Any rule adopted
1434 must, in addition to other matters, include a requirement that
1435 the association send an electronic notice in the same manner as
1436 required for a notice for a meeting of the members, which must
1437 include a hypertext link to the website where the notice is
1438 posted, to unit owners whose e-mail addresses are included in
1439 the association's official records. ~~Notice of any meeting in~~
1440 ~~which regular assessments against unit owners are to be~~
1441 ~~considered for any reason shall specifically contain a statement~~
1442 ~~that assessments will be considered and the nature of any such~~
1443 ~~assessments.~~ Meetings of a committee to take final action on
1444 behalf of the board or to make recommendations to the board
1445 regarding the association budget are subject to the provisions
1446 of this paragraph. Meetings of a committee that does not take
1447 final action on behalf of the board or make recommendations to
1448 the board regarding the association budget are subject to the
1449 provisions of this section, unless those meetings are exempted
1450 from this section by the bylaws of the association.

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1451 Notwithstanding any other law to the contrary, the requirement
1452 that board meetings and committee meetings be open to the unit
1453 owners does not apply to board or committee meetings held for
1454 the purpose of discussing personnel matters or meetings between
1455 the board or a committee and the association's attorney, with
1456 respect to proposed or pending litigation, if the meeting is
1457 held for the purpose of seeking or rendering legal advice.

1458 (m) Director or officer delinquencies.—A director or
1459 officer who is more than 90 days delinquent in the payment of
1460 any monetary obligation due the association shall be deemed to
1461 have abandoned the office, creating a vacancy in the office to
1462 be filled according to law.

1463 Section 11. Paragraph (b) of subsection (1) of section
1464 719.107, Florida Statutes, is amended to read:

1465 719.107 Common expenses; assessment.—

1466 (1)

1467 (b) If so provided in the bylaws, the cost of
1468 communications services as defined in chapter 202, information
1469 services, or Internet services ~~a master antenna television~~
1470 ~~system or duly franchised cable television service~~ obtained
1471 pursuant to a bulk contract shall be deemed a common expense,
1472 and if not obtained pursuant to a bulk contract, such cost shall
1473 be considered common expense if it is designated as such in a
1474 written contract between the board of administration and the
1475 company providing the communications services as defined in
1476 chapter 202, information services, or Internet services ~~master~~
1477 ~~television antenna system or the cable television service.~~ The
1478 contract shall be for a term of not less than 2 years.

1479 1. Any contract made by the board after April 2, 1992, for

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1480 a community antenna system or duly franchised cable television
1481 service, communications services as defined in chapter 202,
1482 information services, or Internet services may be canceled by a
1483 majority of the voting interests present at the next regular or
1484 special meeting of the association. Any member may make a motion
1485 to cancel the contract, but if no motion is made or if such
1486 motion fails to obtain the required majority at the next regular
1487 or special meeting, whichever is sooner, following the making of
1488 the contract, then such contract shall be deemed ratified for
1489 the term therein expressed.

1490 2. Any such contract shall provide, and shall be deemed to
1491 provide if not expressly set forth, that any hearing impaired or
1492 legally blind unit owner who does not occupy the unit with a
1493 nonhearing impaired or sighted person may discontinue the
1494 service without incurring disconnect fees, penalties, or
1495 subsequent service charges, and as to such units, the owners
1496 shall not be required to pay any common expenses charge related
1497 to such service. If less than all members of an association
1498 share the expenses of cable television, the expense shall be
1499 shared equally by all participating unit owners. The association
1500 may use the provisions of s. 719.108 to enforce payment of the
1501 shares of such costs by the unit owners receiving cable
1502 television.

1503 Section 12. Paragraphs (a) and (c) of subsection (2) and
1504 subsection (7) of section 720.303, Florida Statutes, are amended
1505 to read:

1506 720.303 Association powers and duties; meetings of board;
1507 official records; budgets; financial reporting; association
1508 funds; recalls.-

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1509 (2) BOARD MEETINGS.—

1510 (a) Members of the board of administration may use e-mail
1511 as a means of communication, but may not cast a vote on an
1512 association matter via e-mail. A meeting of the board of
1513 directors of an association occurs whenever a quorum of the
1514 board gathers to conduct association business. Meetings of the
1515 board must be open to all members, except for meetings between
1516 the board and its attorney with respect to proposed or pending
1517 litigation where the contents of the discussion would otherwise
1518 be governed by the attorney-client privilege. A meeting of the
1519 board must be held at a location that is accessible to a
1520 physically handicapped person if requested by a physically
1521 handicapped person who has a right to attend the meeting. The
1522 provisions of this subsection shall also apply to the meetings
1523 of any committee or other similar body when a final decision
1524 will be made regarding the expenditure of association funds and
1525 to meetings of any body vested with the power to approve or
1526 disapprove architectural decisions with respect to a specific
1527 parcel of residential property owned by a member of the
1528 community.

1529 (c) The bylaws shall provide the following for giving
1530 notice to parcel owners and members of all board meetings and,
1531 if they do not do so, shall be deemed to include ~~provide~~ the
1532 following:

1533 1. Notices of all board meetings must be posted in a
1534 conspicuous place in the community at least 48 hours in advance
1535 of a meeting, except in an emergency. In the alternative, if
1536 notice is not posted in a conspicuous place in the community,
1537 notice of each board meeting must be mailed or delivered to each

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1538 member at least 7 days before the meeting, except in an
1539 emergency. Notwithstanding this general notice requirement, for
1540 communities with more than 100 members, the association bylaws
1541 may provide for a reasonable alternative to posting or mailing
1542 of notice for each board meeting, including publication of
1543 notice, provision of a schedule of board meetings, or the
1544 conspicuous posting and repeated broadcasting of the notice on a
1545 closed-circuit cable television system serving the homeowners'
1546 association. However, if broadcast notice is used in lieu of a
1547 notice posted physically in the community, the notice must be
1548 broadcast at least four times every broadcast hour of each day
1549 that a posted notice is otherwise required. When broadcast
1550 notice is provided, the notice and agenda must be broadcast in a
1551 manner and for a sufficient continuous length of time so as to
1552 allow an average reader to observe the notice and read and
1553 comprehend the entire content of the notice and the agenda. In
1554 addition to any of the authorized means of providing notice of a
1555 meeting of the board, the association may, by rule, adopt a
1556 procedure for conspicuously posting the meeting notice and the
1557 agenda on a website serving the association for at least the
1558 minimum period for which a notice of a meeting is required to be
1559 physically posted on the association property. Any rule adopted
1560 must, in addition to other matters, include a requirement that
1561 the association send an electronic notice in the same manner as
1562 required for a notice for a meeting of the members, which must
1563 include a hypertext link to the website where the notice is
1564 posted, to members who have provided an e-mail address to the
1565 association for the purpose of receiving notice by electronic
1566 transmission. The association may provide notice by electronic

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1567 transmission in a manner authorized by law for meetings of the
1568 board of directors, committee meetings requiring notice under
1569 this section, and annual and special meetings of the members;
1570 however, a member must consent in writing to receiving notice by
1571 electronic transmission.

1572 2. An assessment may not be levied at a board meeting
1573 unless the notice of the meeting includes a statement that
1574 assessments will be considered and the nature of the
1575 assessments. Written notice of any meeting at which special
1576 assessments will be considered or at which amendments to rules
1577 regarding parcel use will be considered must be mailed,
1578 delivered, or electronically transmitted to the members and
1579 parcel owners and posted conspicuously on the property or
1580 broadcast on closed-circuit cable television not less than 14
1581 days before the meeting.

1582 3. Directors may not vote by proxy or by secret ballot at
1583 board meetings, except that secret ballots may be used in the
1584 election of officers. This subsection also applies to the
1585 meetings of any committee or other similar body, when a final
1586 decision will be made regarding the expenditure of association
1587 funds, and to any body vested with the power to approve or
1588 disapprove architectural decisions with respect to a specific
1589 parcel of residential property owned by a member of the
1590 community.

1591 (7) FINANCIAL REPORTING.—Within 90 days after the end of
1592 the fiscal year, or annually on the date provided in the bylaws,
1593 the association shall prepare and complete, or contract with a
1594 third party for the preparation and completion of, a financial
1595 report for the preceding fiscal year. Within 21 days after the

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1596 final financial report is completed by the association or
1597 received from the third party, but not later than 120 days after
1598 the end of the fiscal year or other date as provided in the
1599 bylaws, the association shall, within the time limits set forth
1600 in subsection (5), provide each member with a copy of the annual
1601 financial report or a written notice that a copy of the
1602 financial report is available upon request at no charge to the
1603 member. Financial reports shall be prepared as follows:

1604 (a) An association that meets the criteria of this
1605 paragraph shall prepare or cause to be prepared a complete set
1606 of financial statements in accordance with generally accepted
1607 accounting principles as adopted by the Board of Accountancy.
1608 The financial statements shall be based upon the association's
1609 total annual revenues, as follows:

1610 1. An association with total annual revenues of \$150,000 or
1611 more, but less than \$300,000, shall prepare compiled financial
1612 statements.

1613 2. An association with total annual revenues of at least
1614 \$300,000, but less than \$500,000, shall prepare reviewed
1615 financial statements.

1616 3. An association with total annual revenues of \$500,000 or
1617 more shall prepare audited financial statements.

1618 (b)1. An association with total annual revenues of less
1619 than \$150,000 shall prepare a report of cash receipts and
1620 expenditures.

1621 ~~2. An association in a community of fewer than 50 parcels,~~
1622 ~~regardless of the association's annual revenues, may prepare a~~
1623 ~~report of cash receipts and expenditures in lieu of financial~~
1624 ~~statements required by paragraph (a) unless the governing~~

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1625 ~~documents provide otherwise.~~

1626 2.3. A report of cash receipts and disbursement must
1627 disclose the amount of receipts by accounts and receipt
1628 classifications and the amount of expenses by accounts and
1629 expense classifications, including, but not limited to, the
1630 following, as applicable: costs for security, professional, and
1631 management fees and expenses; taxes; costs for recreation
1632 facilities; expenses for refuse collection and utility services;
1633 expenses for lawn care; costs for building maintenance and
1634 repair; insurance costs; administration and salary expenses; and
1635 reserves if maintained by the association.

1636 (c) If 20 percent of the parcel owners petition the board
1637 for a level of financial reporting higher than that required by
1638 this section, the association shall duly notice and hold a
1639 meeting of members within 30 days of receipt of the petition for
1640 the purpose of voting on raising the level of reporting for that
1641 fiscal year. Upon approval of a majority of the total voting
1642 interests of the parcel owners, the association shall prepare or
1643 cause to be prepared, shall amend the budget or adopt a special
1644 assessment to pay for the financial report regardless of any
1645 provision to the contrary in the governing documents, and shall
1646 provide within 90 days of the meeting or the end of the fiscal
1647 year, whichever occurs later:

1648 1. Compiled, reviewed, or audited financial statements, if
1649 the association is otherwise required to prepare a report of
1650 cash receipts and expenditures;

1651 2. Reviewed or audited financial statements, if the
1652 association is otherwise required to prepare compiled financial
1653 statements; or

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1654 3. Audited financial statements if the association is
1655 otherwise required to prepare reviewed financial statements.

1656 (d) If approved by a majority of the voting interests
1657 present at a properly called meeting of the association, an
1658 association may prepare or cause to be prepared:

1659 1. A report of cash receipts and expenditures in lieu of a
1660 compiled, reviewed, or audited financial statement;

1661 2. A report of cash receipts and expenditures or a compiled
1662 financial statement in lieu of a reviewed or audited financial
1663 statement; or

1664 3. A report of cash receipts and expenditures, a compiled
1665 financial statement, or a reviewed financial statement in lieu
1666 of an audited financial statement.

1667 Section 13. Paragraph (a) of subsection (9) of section
1668 720.306, Florida Statutes, is amended to read:

1669 720.306 Meetings of members; voting and election
1670 procedures; amendments.—

1671 (9) ELECTIONS AND BOARD VACANCIES.—

1672 (a) Elections of directors must be conducted in accordance
1673 with the procedures set forth in the governing documents of the
1674 association. Except as provided in paragraph (b), all members of
1675 the association are eligible to serve on the board of directors,
1676 and a member may nominate himself or herself as a candidate for
1677 the board at a meeting where the election is to be held;
1678 provided, however, that if the election process allows
1679 candidates to be nominated in advance of the meeting, the
1680 association is not required to allow nominations at the meeting.
1681 An election is not required unless more candidates are nominated
1682 than vacancies exist. If an election is not required because

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1683 there are either an equal number or fewer qualified candidates
1684 than vacancies exist, and if nominations from the floor are not
1685 required pursuant to this section or the bylaws, write-in
1686 nominations are not permitted, and such candidates shall
1687 commence service on the board of directors, regardless of
1688 whether a quorum is attained at the annual meeting. Except as
1689 otherwise provided in the governing documents, boards of
1690 directors must be elected by a plurality of the votes cast by
1691 eligible voters. Any challenge to the election process must be
1692 commenced within 60 days after the election results are
1693 announced.

1694 Section 14. Paragraph (b) of subsection (3) of section
1695 720.3085, Florida Statutes, is amended to read:

1696 720.3085 Payment for assessments; lien claims.—

1697 (3) Assessments and installments on assessments that are
1698 not paid when due bear interest from the due date until paid at
1699 the rate provided in the declaration of covenants or the bylaws
1700 of the association, which rate may not exceed the rate allowed
1701 by law. If no rate is provided in the declaration or bylaws,
1702 interest accrues at the rate of 18 percent per year.

1703 (b) Any payment received by an association and accepted
1704 shall be applied first to any interest accrued, then to any
1705 administrative late fee, then to any costs and reasonable
1706 attorney fees incurred in collection, and then to the delinquent
1707 assessment. This paragraph applies notwithstanding any
1708 restrictive endorsement, designation, or instruction placed on
1709 or accompanying a payment. A late fee is not subject to the
1710 provisions of chapter 687 and is not a fine. The foregoing is
1711 applicable notwithstanding s. 673.3111, any purported accord and

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1712 satisfaction, or any restrictive endorsement, designation, or
1713 instruction placed on or accompanying a payment. The preceding
1714 sentence is intended to clarify existing law.

1715 Section 15. This act shall take effect July 1, 2017.