

LEGISLATIVE ACTION

Senate Comm: RCS 01/28/2020 House

The Committee on Innovation, Industry, and Technology (Baxley) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Paragraph (a) of subsection (2) of section 514.0115, Florida Statutes, is amended to read:

514.0115 Exemptions from supervision or regulation; variances.-

(2)(a) Pools serving <u>condominium</u>, <u>cooperative</u>, <u>and</u> homeowners' associations, as well as other property

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11	associations, which have no more than 32 condominium or
12	cooperative units <u>or parcels and</u> which are not operated as a
13	public lodging <u>establishments are</u> establishment shall be exempt
14	from supervision under this chapter, except for water quality.
15	Section 2. Subsection (4) of section 627.714, Florida
16	Statutes, is amended to read:
17	627.714 Residential condominium unit owner coverage; loss
18	assessment coverage required
19	(4) Every individual unit owner's residential property
20	policy must contain a provision stating that the coverage
21	afforded by such policy is excess coverage over the amount
22	recoverable under any other policy covering the same property.
23	If a condominium association's insurance policy does not provide
24	rights for subrogation against the unit owners in the
25	association, an insurance policy issued to an individual unit
26	owner located in the association may not provide rights of
27	subrogation against the condominium association.
28	Section 3. Section 712.065, Florida Statutes, is created to
29	read:
30	712.065 Extinguishment of discriminatory restrictions
31	(1) As used in this section, the term "discriminatory
32	restriction" means a provision in a title transaction recorded
33	in this state which restricts the ownership, occupancy, or use
34	of any real property in this state by any natural person on the
35	basis of a characteristic that has been held, or is held after
36	July 1, 2020, by the United States Supreme Court or the Florida
37	Supreme Court to be protected against discrimination under the
38	Fourteenth Amendment to the United States Constitution or under
39	s. 2, Art. I of the State Constitution, including race, color,

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40 national origin, religion, gender, or physical disability. 41 (2) A discriminatory restriction is not enforceable in this 42 state, and all discriminatory restrictions contained in any 43 title transaction recorded in this state are unlawful, are 44 unenforceable, and are declared null and void. Any 45 discriminatory restriction contained in a previously recorded title transaction is extinguished and severed from the recorded 46 47 title transaction and the remainder of the title transaction 48 remains enforceable and effective. The recording of any notice 49 preserving or protecting interests or rights pursuant to s. 50 712.05 does not reimpose or preserve any discriminatory 51 restriction that is extinguished under this section. 52 (3) Upon request of a parcel owner, a discriminatory 53 restriction appearing in a covenant or restriction affecting the 54 parcel may be removed from the covenant or restriction by an 55 amendment approved by a majority vote of the board of directors 56 of the respective property owners' association or an owners' 57 association in which all owners may voluntarily join, 58 notwithstanding any other requirements for approval of an 59 amendment of the covenant or restriction. Unless the amendment also changes other provisions of the covenant or restriction, 60 61 the recording of an amendment removing a discriminatory 62 restriction does not constitute a title transaction occurring after the root of title for purposes of s. 712.03(4). 63 64 Section 4. Paragraphs (a), (b), (c), and (g) of subsection 65 (12) of section 718.111, Florida Statutes, are amended to read: 66 718.111 The association.-67 (12) OFFICIAL RECORDS.-(a) From the inception of the association, the association 68



69 shall maintain each of the following items, if applicable, which 70 constitutes the official records of the association:

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

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

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

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

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83 84 5. A copy of the current rules of the association.

6. A book or books that contain the minutes of all meetings of the association, the board of administration, and the unit owners.

85 7. A current roster of all unit owners and their mailing addresses, unit identifications, voting certifications, and, if 86 87 known, telephone numbers. The association shall also maintain 88 the e-mail addresses and facsimile numbers of unit owners 89 consenting to receive notice by electronic transmission. The e-90 mail addresses and facsimile numbers are not accessible to unit 91 owners if consent to receive notice by electronic transmission 92 is not provided in accordance with sub-subparagraph (c)3.e. 93 However, the association is not liable for an inadvertent disclosure of the e-mail address or facsimile number for 94 95 receiving electronic transmission of notices.

8. All current insurance policies of the association andcondominiums operated by the association.

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98 9. A current copy of any management agreement, lease, or 99 other contract to which the association is a party or under 100 which the association or the unit owners have an obligation or 101 responsibility.

102 10. Bills of sale or transfer for all property owned by the 103 association.

11. Accounting records for the association and separate 104 105 accounting records for each condominium that the association 106 operates. Any person who knowingly or intentionally defaces or 107 destroys such records, or who knowingly or intentionally fails 108 to create or maintain such records, with the intent of causing 109 harm to the association or one or more of its members, is 110 personally subject to a civil penalty pursuant to s. 111 718.501(1)(d). The accounting records must include, but are not 112 limited to:

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

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

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

121 d. All contracts for work to be performed. Bids for work to 122 be performed are also considered official records and must be 123 maintained by the association <u>for at least 1 year after receipt</u> 124 <u>of the bid</u>.

125 12. Ballots, sign-in sheets, voting proxies, and all other 126 papers and electronic records relating to voting by unit owners,

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127	which must be maintained for 1 year from the date of the
128	election, vote, or meeting to which the document relates,
129	notwithstanding paragraph (b).
130	13. All rental records if the association is acting as
131	agent for the rental of condominium units.
132	14. A copy of the current question and answer sheet as
133	described in s. 718.504.
134	15. All other written records of the association not
135	specifically included in the foregoing which are related to the
136	operation of the association.
137	$rac{16.}{16.}$ A copy of the inspection report as described in s.
138	718.301(4)(p).
139	<u>16.17.</u> Bids for materials, equipment, or services.
140	17. All other written records of the association not
141	specifically included in subparagraphs 116. which are related
142	to the operation of the association.
143	(b) The official records specified in subparagraphs (a)1
144	6. must be permanently maintained from the inception of the
145	association. Bids for work to be performed or for materials,
146	equipment, or services must be maintained for at least 1 year
147	after receipt of the bid. All other official records must be
148	maintained within the state for at least 7 years, unless
149	otherwise provided by general law. The records of the
150	association shall be made available to a unit owner within 45
151	miles of the condominium property or within the county in which
152	the condominium property is located within 10 working days after
153	receipt of a written request by the board or its designee.
154	However, such distance requirement does not apply to an
155	association governing a timeshare condominium. This paragraph
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156 may be complied with by having a copy of the official records of 157 the association available for inspection or copying on the condominium property or association property, or the association 158 159 may offer the option of making the records available to a unit 160 owner electronically via the Internet or by allowing the records 161 to be viewed in electronic format on a computer screen and 162 printed upon request. The association is not responsible for the 163 use or misuse of the information provided to an association 164 member or his or her authorized representative in pursuant to 165 the compliance with requirements of this chapter unless the 166 association has an affirmative duty not to disclose such 167 information under pursuant to this chapter.

168 (c)1. The official records of the association are open to 169 inspection by any association member or the authorized 170 representative of such member at all reasonable times. The right 171 to inspect the records includes the right to make or obtain 172 copies, at the reasonable expense, if any, of the member or 173 authorized representative of such member. A renter of a unit has 174 a right to inspect and copy the association's bylaws and rules. 175 The association may adopt reasonable rules regarding the 176 frequency, time, location, notice, and manner of record 177 inspections and copying, but may not require a member to 178 demonstrate any purpose or state any reason for the inspection. 179 The failure of an association to provide the records within 10 180 working days after receipt of a written request creates a 181 rebuttable presumption that the association willfully failed to 182 comply with this paragraph. A unit owner who is denied access to 183 official records is entitled to the actual damages or minimum damages for the association's willful failure to comply. Minimum 184

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185 damages are \$50 per calendar day for up to 10 days, beginning on 186 the 11th working day after receipt of the written request. The 187 failure to permit inspection entitles any person prevailing in 188 an enforcement action to recover reasonable attorney fees from 189 the person in control of the records who, directly or 190 indirectly, knowingly denied access to the records.

191 2. Any person who knowingly or intentionally defaces or 192 destroys accounting records that are required by this chapter to 193 be maintained during the period for which such records are 194 required to be maintained, or who knowingly or intentionally 195 fails to create or maintain accounting records that are required 196 to be created or maintained, with the intent of causing harm to 197 the association or one or more of its members, is personally 198 subject to a civil penalty under pursuant to s. 718.501(1)(d).

199 3. The association shall maintain an adequate number of 200 copies of the declaration, articles of incorporation, bylaws, 201 and rules, and all amendments to each of the foregoing, as well 202 as the question and answer sheet as described in s. 718.504 and 203 year-end financial information required under this section, on 204 the condominium property to ensure their availability to unit owners and prospective purchasers, and may charge its actual 205 206 costs for preparing and furnishing these documents to those 207 requesting the documents. An association shall allow a member or 2.08 his or her authorized representative to use a portable device, 209 including a smartphone, tablet, portable scanner, or any other 210 technology capable of scanning or taking photographs, to make an 211 electronic copy of the official records in lieu of the 212 association's providing the member or his or her authorized representative with a copy of such records. The association may 213



214 not charge a member or his or her authorized representative for 215 the use of a portable device. Notwithstanding this paragraph, 216 the following records are not accessible to unit owners:

217 a. Any record protected by the lawyer-client privilege as 218 described in s. 90.502 and any record protected by the work-219 product privilege, including a record prepared by an association 220 attorney or prepared at the attorney's express direction, which 221 reflects a mental impression, conclusion, litigation strategy, 2.2.2 or legal theory of the attorney or the association, and which 223 was prepared exclusively for civil or criminal litigation or for 224 adversarial administrative proceedings, or which was prepared in 225 anticipation of such litigation or proceedings until the 226 conclusion of the litigation or proceedings.

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

c. Personnel records of association or management company employees, including, but not limited to, disciplinary, payroll, health, and insurance records. For purposes of this subsubparagraph, the term "personnel records" does not include written employment agreements with an association employee or management company, or budgetary or financial records that indicate the compensation paid to an association employee.

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d. Medical records of unit owners.

e. Social security numbers, driver license numbers, credit card numbers, e-mail addresses, telephone numbers, facsimile numbers, emergency contact information, addresses of a unit owner other than as provided to fulfill the association's notice requirements, and other personal identifying information of any



243 person, excluding the person's name, unit designation, mailing 244 address, property address, and any address, e-mail address, or 245 facsimile number provided to the association to fulfill the 246 association's notice requirements. Notwithstanding the 247 restrictions in this sub-subparagraph, an association may print 248 and distribute to unit parcel owners a directory containing the name, unit parcel address, and all telephone numbers of each 249 250 unit parcel owner. However, an owner may exclude his or her 251 telephone numbers from the directory by so requesting in writing 252 to the association. An owner may consent in writing to the 253 disclosure of other contact information described in this sub-254 subparagraph. The association is not liable for the inadvertent 255 disclosure of information that is protected under this sub-256 subparagraph if the information is included in an official 257 record of the association and is voluntarily provided by an owner and not requested by the association. 258

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

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

(g)1. By January 1, 2019, an association managing a condominium with 150 or more units which does not contain timeshare units shall post digital copies of the documents specified in subparagraph 2. on its website <u>or make such</u> documents available through an application that can be downloaded on a mobile device.

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a. The association's website or application must be:

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272 (I) An independent website, application, or web portal 273 wholly owned and operated by the association; or

(II) A website, application, or web portal operated by a third-party provider with whom the association owns, leases, rents, or otherwise obtains the right to operate a web page, subpage, web portal, or collection of subpages or web portals, or application which is dedicated to the association's activities and on which required notices, records, and documents may be posted or made available by the association.

b. The association's website or application must be accessible through the Internet and must contain a subpage, web 282 283 portal, or other protected electronic location that is inaccessible to the general public and accessible only to unit 285 owners and employees of the association.

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

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

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

b. The recorded bylaws of the association and each 297 amendment to the bylaws.

c. The articles of incorporation of the association, or other documents creating the association, and each amendment to the articles of incorporation or other documents thereto. The

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301 copy posted pursuant to this sub-subparagraph must be a copy of 302 the articles of incorporation filed with the Department of 303 State.

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d. The rules of the association.

305 e. A list of all executory contracts or documents to which 306 the association is a party or under which the association or the unit owners have an obligation or responsibility and, after 307 308 bidding for the related materials, equipment, or services has 309 closed, a list of bids received by the association within the 310 past year. Summaries of bids for materials, equipment, or 311 services which exceed \$500 must be maintained on the website or 312 application for 1 year. In lieu of summaries, complete copies of 313 the bids may be posted.

314 f. The annual budget required by s. 718.112(2)(f) and any 315 proposed budget to be considered at the annual meeting.

316 g. The financial report required by subsection (13) and any 317 monthly income or expense statement to be considered at a 318 meeting.

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

321 i. All contracts or transactions between the association 322 and any director, officer, corporation, firm, or association 323 that is not an affiliated condominium association or any other 324 entity in which an association director is also a director or 325 officer and financially interested.

j. Any contract or document regarding a conflict of interest or possible conflict of interest as provided in ss. 468.436(2)(b)6. and 718.3027(3).

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k. The notice of any unit owner meeting and the agenda for

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330 the meeting, as required by s. 718.112(2)(d)3., no later than 14 331 days before the meeting. The notice must be posted in plain view 332 on the front page of the website or application, or on a separate subpage of the website or application labeled "Notices" 333 334 which is conspicuously visible and linked from the front page. 335 The association must also post on its website or application any 336 document to be considered and voted on by the owners during the 337 meeting or any document listed on the agenda at least 7 days 338 before the meeting at which the document or the information 339 within the document will be considered.

l. Notice of any board meeting, the agenda, and any other document required for the meeting as required by s. 718.112(2)(c), which must be posted no later than the date required for notice <u>under pursuant to</u> s. 718.112(2)(c).

344 3. The association shall ensure that the information and 345 records described in paragraph (c), which are not allowed to be 346 accessible to unit owners, are not posted on the association's 347 website or application. If protected information or information 348 restricted from being accessible to unit owners is included in 349 documents that are required to be posted on the association's 350 website or application, the association shall ensure the 351 information is redacted before posting the documents online. 352 Notwithstanding the foregoing, the association or its agent is 353 not liable for disclosing information that is protected or 354 restricted under pursuant to this paragraph unless such 355 disclosure was made with a knowing or intentional disregard of the protected or restricted nature of such information. 356

357 4. The failure of the association to post information358 required under subparagraph 2. is not in and of itself

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359	sufficient to invalidate any action or decision of the
360	association's board or its committees.
361	Section 5. Paragraphs (d), (i), (k), and (p) of subsection
362	(2) of section 718.112, Florida Statutes, are amended, and
363	paragraph (c) is added to subsection (1) of that section, to
364	read:
365	718.112 Bylaws
366	(1) GENERALLY
367	(c) The association may extinguish a discriminatory
368	restriction, as defined in s. 712.065(1), pursuant to s.
369	712.065.
370	(2) REQUIRED PROVISIONSThe bylaws shall provide for the
371	following and, if they do not do so, shall be deemed to include
372	the following:
373	(d) Unit owner meetings
374	1. An annual meeting of the unit owners must be held at the
375	location provided in the association bylaws and, if the bylaws
376	are silent as to the location, the meeting must be held within
377	45 miles of the condominium property. However, such distance
378	requirement does not apply to an association governing a
379	timeshare condominium.
380	2. Unless the bylaws provide otherwise, a vacancy on the
381	board caused by the expiration of a director's term must be
382	filled by electing a new board member, and the election must be
383	by secret ballot. An election is not required if the number of
384	vacancies equals or exceeds the number of candidates. For
385	purposes of this paragraph, the term "candidate" means an
386	eligible person who has timely submitted the written notice, as
387	described in sub-subparagraph 4.a., of his or her intention to



388 become a candidate. Except in a timeshare or nonresidential 389 condominium, or if the staggered term of a board member does not expire until a later annual meeting, or if all members' terms 390 391 would otherwise expire but there are no candidates, the terms of 392 all board members expire at the annual meeting, and such members 393 may stand for reelection unless prohibited by the bylaws. Board 394 members may serve terms longer than 1 year if permitted by the 395 bylaws or articles of incorporation. A board member may not 396 serve more than 8 consecutive years unless approved by an 397 affirmative vote of unit owners representing two-thirds of all 398 votes cast in the election or unless there are not enough 399 eligible candidates to fill the vacancies on the board at the 400 time of the vacancy. Only board service that occurs on or after 401 July 1, 2018, may be used when calculating a board member's term 402 limit. If the number of board members whose terms expire at the 403 annual meeting equals or exceeds the number of candidates, the 404 candidates become members of the board effective upon the 405 adjournment of the annual meeting. Unless the bylaws provide 406 otherwise, any remaining vacancies shall be filled by the 407 affirmative vote of the majority of the directors making up the 408 newly constituted board even if the directors constitute less 409 than a quorum or there is only one director. In a residential 410 condominium association of more than 10 units or in a 411 residential condominium association that does not include 412 timeshare units or timeshare interests, co-owners of a unit may 413 not serve as members of the board of directors at the same time 414 unless they own more than one unit or unless there are not 415 enough eligible candidates to fill the vacancies on the board at 416 the time of the vacancy. A unit owner in a residential



417 condominium desiring to be a candidate for board membership must 418 comply with sub-subparagraph 4.a. and must be eligible to be a 419 candidate to serve on the board of directors at the time of the 420 deadline for submitting a notice of intent to run in order to 421 have his or her name listed as a proper candidate on the ballot 422 or to serve on the board. A person who has been suspended or removed by the division under this chapter, or who is delinquent 423 424 in the payment of any monetary obligation due to the association, is not eligible to be a candidate for board 42.5 426 membership and may not be listed on the ballot. A person who has 427 been convicted of any felony in this state or in a United States 428 District or Territorial Court, or who has been convicted of any 429 offense in another jurisdiction which would be considered a 430 felony if committed in this state, is not eligible for board 431 membership unless such felon's civil rights have been restored 432 for at least 5 years as of the date such person seeks election 433 to the board. The validity of an action by the board is not 434 affected if it is later determined that a board member is 435 ineligible for board membership due to having been convicted of 436 a felony. This subparagraph does not limit the term of a member 437 of the board of a nonresidential or timeshare condominium.

438 3. The bylaws must provide the method of calling meetings 439 of unit owners, including annual meetings. Written notice of an 440 annual meeting must include an agenda; , must be mailed, hand 441 delivered, or electronically transmitted to each unit owner at 442 least 14 days before the annual meeting; τ and must be posted in 443 a conspicuous place on the condominium property at least 14 444 continuous days before the annual meeting. Written notice of a meeting other than an annual meeting must include an agenda; be 445

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446 mailed, hand delivered, or electronically transmitted to each 447 unit owner; and be posted in a conspicuous place on the 448 condominium property in accordance with the minimum period of 449 time for posting a notice as set forth in the bylaws, or if the 450 bylaws do not provide such notice requirements, at least 14 451 continuous days before the meeting. Upon notice to the unit 452 owners, the board shall, by duly adopted rule, designate a 453 specific location on the condominium property where all notices 454 of unit owner meetings must be posted. This requirement does not 455 apply if there is no condominium property for posting notices. 456 In lieu of, or in addition to, the physical posting of meeting 457 notices, the association may, by reasonable rule, adopt a 458 procedure for conspicuously posting and repeatedly broadcasting 459 the notice and the agenda on a closed-circuit cable television 460 system serving the condominium association. However, if 461 broadcast notice is used in lieu of a notice posted physically 462 on the condominium property, the notice and agenda must be 463 broadcast at least four times every broadcast hour of each day 464 that a posted notice is otherwise required under this section. 465 If broadcast notice is provided, the notice and agenda must be 466 broadcast in a manner and for a sufficient continuous length of 467 time so as to allow an average reader to observe the notice and 468 read and comprehend the entire content of the notice and the 469 agenda. In addition to any of the authorized means of providing 470 notice of a meeting of the board, the association may, by rule, 471 adopt a procedure for conspicuously posting the meeting notice 472 and the agenda on a website serving the condominium association 473 for at least the minimum period of time for which a notice of a 474 meeting is also required to be physically posted on the

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475 condominium property. Any rule adopted shall, in addition to other matters, include a requirement that the association send 476 477 an electronic notice in the same manner as a notice for a 478 meeting of the members, which must include a hyperlink to the website where the notice is posted, to unit owners whose e-mail 479 480 addresses are included in the association's official records. 481 Unless a unit owner waives in writing the right to receive 482 notice of the annual meeting, such notice must be hand 483 delivered, mailed, or electronically transmitted to each unit 484 owner. Notice for meetings and notice for all other purposes 485 must be mailed to each unit owner at the address last furnished 486 to the association by the unit owner, or hand delivered to each 487 unit owner. However, if a unit is owned by more than one person, 488 the association must provide notice to the address that the 489 developer identifies for that purpose and thereafter as one or 490 more of the owners of the unit advise the association in 491 writing, or if no address is given or the owners of the unit do not agree, to the address provided on the deed of record. An 492 493 officer of the association, or the manager or other person 494 providing notice of the association meeting, must provide an 495 affidavit or United States Postal Service certificate of 496 mailing, to be included in the official records of the 497 association affirming that the notice was mailed or hand 498 delivered in accordance with this provision.

499 4. The members of the board of a residential condominium 500 shall be elected by written ballot or voting machine. Proxies 501 may not be used in electing the board in general elections or 502 elections to fill vacancies caused by recall, resignation, or 503 otherwise, unless otherwise provided in this chapter. This

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504 subparagraph does not apply to an association governing a 505 timeshare condominium.

a. At least 60 days before a scheduled election, the 506 507 association shall mail, deliver, or electronically transmit, by 508 separate association mailing or included in another association 509 mailing, delivery, or transmission, including regularly 510 published newsletters, to each unit owner entitled to a vote, a 511 first notice of the date of the election. A unit owner or other eligible person desiring to be a candidate for the board must 512 give written notice of his or her intent to be a candidate to 513 514 the association at least 40 days before a scheduled election. 515 Together with the written notice and agenda as set forth in 516 subparagraph 3., the association shall mail, deliver, or 517 electronically transmit a second notice of the election to all 518 unit owners entitled to vote, together with a ballot that lists 519 all candidates, not less than 14 days or more than 34 days 520 before the date of the election. Upon request of a candidate, an 521 information sheet, no larger than 8 1/2 inches by 11 inches, 522 which must be furnished by the candidate at least 35 days before 523 the election, must be included with the mailing, delivery, or 524 transmission of the ballot, with the costs of mailing, delivery, or electronic transmission and copying to be borne by the 525 526 association. The association is not liable for the contents of 527 the information sheets prepared by the candidates. In order to 528 reduce costs, the association may print or duplicate the 529 information sheets on both sides of the paper. The division 530 shall by rule establish voting procedures consistent with this 531 sub-subparagraph, including rules establishing procedures for 532 giving notice by electronic transmission and rules providing for



533 the secrecy of ballots. Elections shall be decided by a 534 plurality of ballots cast. There is no quorum requirement; 535 however, at least 20 percent of the eligible voters must cast a 536 ballot in order to have a valid election. A unit owner may not 537 authorize any other person to vote his or her ballot, and any 538 ballots improperly cast are invalid. A unit owner who violates 539 this provision may be fined by the association in accordance 540 with s. 718.303. A unit owner who needs assistance in casting 541 the ballot for the reasons stated in s. 101.051 may obtain such 542 assistance. The regular election must occur on the date of the 543 annual meeting. Notwithstanding this sub-subparagraph, an 544 election is not required unless more candidates file notices of 545 intent to run or are nominated than board vacancies exist.

546 b. Within 90 days after being elected or appointed to the 547 board of an association of a residential condominium, each newly 548 elected or appointed director shall certify in writing to the 549 secretary of the association that he or she has read the 550 association's declaration of condominium, articles of 551 incorporation, bylaws, and current written policies; that he or 552 she will work to uphold such documents and policies to the best 553 of his or her ability; and that he or she will faithfully 554 discharge his or her fiduciary responsibility to the 555 association's members. In lieu of this written certification, 556 within 90 days after being elected or appointed to the board, 557 the newly elected or appointed director may submit a certificate 558 of having satisfactorily completed the educational curriculum 559 administered by a division-approved condominium education 560 provider within 1 year before or 90 days after the date of election or appointment. The written certification or 561

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562 educational certificate is valid and does not have to be 563 resubmitted as long as the director serves on the board without 564 interruption. A director of an association of a residential 565 condominium who fails to timely file the written certification 566 or educational certificate is suspended from service on the 567 board until he or she complies with this sub-subparagraph. The 568 board may temporarily fill the vacancy during the period of 569 suspension. The secretary shall cause the association to retain a director's written certification or educational certificate 570 571 for inspection by the members for 5 years after a director's 572 election or the duration of the director's uninterrupted tenure, 573 whichever is longer. Failure to have such written certification 574 or educational certificate on file does not affect the validity 575 of any board action.

c. Any challenge to the election process must be commenced within 60 days after the election results are announced.

578 5. Any approval by unit owners called for by this chapter 579 or the applicable declaration or bylaws, including, but not limited to, the approval requirement in s. 718.111(8), must be made at a duly noticed meeting of unit owners and is subject to 582 all requirements of this chapter or the applicable condominium 583 documents relating to unit owner decisionmaking, except that unit owners may take action by written agreement, without meetings, on matters for which action by written agreement without meetings is expressly allowed by the applicable bylaws 587 or declaration or any law that provides for such action.

588 6. Unit owners may waive notice of specific meetings if 589 allowed by the applicable bylaws or declaration or any law. 590 Notice of meetings of the board of administration, unit owner

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591 meetings, except unit owner meetings called to recall board 592 members under paragraph (j), and committee meetings may be given 593 by electronic transmission to unit owners who consent to receive 594 notice by electronic transmission. A unit owner who consents to 595 receiving notices by electronic transmission is solely 596 responsible for removing or bypassing filters that block receipt 597 of mass e-mails emails sent to members on behalf of the 598 association in the course of giving electronic notices.

599 7. Unit owners have the right to participate in meetings of
600 unit owners with reference to all designated agenda items.
601 However, the association may adopt reasonable rules governing
602 the frequency, duration, and manner of unit owner participation.

8. A unit owner may tape record or videotape a meeting of the unit owners subject to reasonable rules adopted by the division.

606 9. Unless otherwise provided in the bylaws, any vacancy 607 occurring on the board before the expiration of a term may be 608 filled by the affirmative vote of the majority of the remaining 609 directors, even if the remaining directors constitute less than 610 a quorum, or by the sole remaining director. In the alternative, 611 a board may hold an election to fill the vacancy, in which case 612 the election procedures must conform to sub-subparagraph 4.a. 613 unless the association governs 10 units or fewer and has opted 614 out of the statutory election process, in which case the bylaws 615 of the association control. Unless otherwise provided in the 616 bylaws, a board member appointed or elected under this section 617 shall fill the vacancy for the unexpired term of the seat being 618 filled. Filling vacancies created by recall is governed by paragraph (j) and rules adopted by the division. 619

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620 10. This chapter does not limit the use of general or 621 limited proxies, require the use of general or limited proxies, 622 or require the use of a written ballot or voting machine for any 623 agenda item or election at any meeting of a timeshare 624 condominium association or nonresidential condominium 625 association. 626 627 Notwithstanding subparagraph (b)2. and sub-subparagraph 4.a., an 628 association of 10 or fewer units may, by affirmative vote of a 629 majority of the total voting interests, provide for different 630 voting and election procedures in its bylaws, which may be by a 631 proxy specifically delineating the different voting and election 632 procedures. The different voting and election procedures may 633 provide for elections to be conducted by limited or general 634 proxy. 635 (i) Transfer fees.-An association may not no charge an 636 applicant any fees, except the actual costs of any background check or screening performed shall be made by the association, 637 638 or any body thereof in connection with the sale, mortgage, lease, sublease, or other transfer of a unit unless the 639 640 association is required to approve such transfer and a fee for 641 such approval is provided for in the declaration, articles, or 642 bylaws. Except for the actual costs of any background check or 643 screening performed by the association, any such fee may be 644 preset, but may not in no event may such fee exceed \$100 per 645 applicant other than spouses or parent and dependent child, who 646 husband/wife or parent/dependent child, which are considered one 647 applicant. However, if the lease or sublease is a renewal of a lease or sublease with the same lessee or sublessee, a charge 648

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649 may not no charge shall be made. The foregoing notwithstanding, 650 an association may, if the authority to do so appears in the 651 declaration, articles, or bylaws, require that a prospective 652 lessee place a security deposit, in an amount not to exceed the 653 equivalent of 1 month's rent, into an escrow account maintained 654 by the association. The security deposit shall protect against damages to the common elements or association property. Payment 655 656 of interest, claims against the deposit, refunds, and disputes 657 under this paragraph shall be handled in the same fashion as 658 provided in part II of chapter 83.

(k) <u>Alternative Dispute Resolution</u> Arbitration. – There <u>must</u> shall be a provision for mandatory <u>alternative dispute</u> <u>resolution</u> nonbinding arbitration as provided for in s. 718.1255 for any residential condominium.

663 (p) Service providers; conflicts of interest.-An association, which is not a timeshare condominium association, 664 665 may not employ or contract with any service provider that is 666 owned or operated by a board member or with any person who has a 667 financial relationship with a board member or officer, or a 668 relative within the third degree of consanguinity by blood or 669 marriage of a board member or officer. This paragraph does not apply to a service provider in which a board member or officer, 670 671 or a relative within the third degree of consanguinity by blood 672 or marriage of a board member or officer, owns less than 1 673 percent of the equity shares.

674 Section 6. Subsection (8) of section 718.113, Florida 675 Statutes, is amended to read:

676 718.113 Maintenance; limitation upon improvement; display677 of flag; hurricane shutters and protection; display of religious



678 decorations.-

679 (8) The Legislature finds that the use of electric and 680 natural gas fuel vehicles conserves and protects the state's 681 environmental resources, provides significant economic savings 682 to drivers, and serves an important public interest. The 683 participation of condominium associations is essential to the 684 state's efforts to conserve and protect the state's 685 environmental resources and provide economic savings to drivers. For purposes of this subsection, the term "natural gas fuel" has 686 687 the same meaning as in s. 206.9951, and the term "natural gas 688 fuel vehicle" means any motor vehicle, as defined in s. 689 320.01(1), powered by natural gas fuel. Therefore, the 690 installation of an electric vehicle charging or natural gas fuel 691 station shall be governed as follows:

692 (a) A declaration of condominium or restrictive covenant 693 may not prohibit or be enforced so as to prohibit any unit owner 694 from installing an electric vehicle charging or natural gas fuel 695 station within the boundaries of the unit owner's limited common element or exclusively designated parking area. The board of 696 697 administration of a condominium association may not prohibit a 698 unit owner from installing an electric vehicle charging station for an electric vehicle, as defined in s. 320.01, or a natural 699 700 gas fuel station for a natural gas fuel vehicle within the 701 boundaries of his or her limited common element or exclusively 702 designated parking area. The installation of such charging or 703 fuel stations are subject to the provisions of this subsection.

(b) The installation may not cause irreparable damage tothe condominium property.

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(c) The electricity for the electric vehicle charging $\underline{\text{or}}$

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707 natural gas fuel station must be separately metered or metered 708 by an embedded meter and payable by the unit owner installing 709 such charging or fuel station or by his or her successor. 710 (d) The cost for supply and storage of the natural gas fuel 711 must be paid by the unit owner installing the natural gas fuel 712 station or by his or her successor. 713 (e) (d) The unit owner who is installing an electric vehicle charging or natural gas fuel station is responsible for the 714 715 costs of installation, operation, maintenance, and repair, 716 including, but not limited to, hazard and liability insurance. 717 The association may enforce payment of such costs under pursuant 718 to s. 718.116. 719 (f) (e) If the unit owner or his or her successor decides 720 there is no longer a need for the electronic vehicle charging or 721 natural gas fuel station, such person is responsible for the cost of removal of such the electronic vehicle charging or fuel 722 723 station. The association may enforce payment of such costs under pursuant to s. 718.116. 724 725 (q) The unit owner installing, maintaining, or removing the 726 electric vehicle charging or natural gas fuel station is 727 responsible for complying with all federal, state, or local laws 728 and regulations applicable to such installation, maintenance, or 729 removal. 730 (h) (f) The association may require the unit owner to: 731 1. Comply with bona fide safety requirements, consistent

732 with applicable building codes or recognized safety standards, 733 for the protection of persons and property.

734 2. Comply with reasonable architectural standards adopted735 by the association that govern the dimensions, placement, or

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736 external appearance of the electric vehicle charging <u>or natural</u> 737 <u>gas fuel</u> station, provided that such standards may not prohibit 738 the installation of such charging <u>or fuel</u> station or 739 substantially increase the cost thereof.

3. Engage the services of a licensed and registered <u>firm</u> electrical contractor or engineer familiar with the installation <u>or removal</u> and core requirements of an electric vehicle charging or natural gas fuel station.

4. Provide a certificate of insurance naming the association as an additional insured on the owner's insurance policy for any claim related to the installation, maintenance, or use of the electric vehicle charging <u>or natural gas fuel</u> station within 14 days after receiving the association's approval to install such charging <u>or fuel</u> station <u>or notice to</u> provide such a certificate.

5. Reimburse the association for the actual cost of any increased insurance premium amount attributable to the electric vehicle charging <u>or natural gas fuel</u> station within 14 days after receiving the association's insurance premium invoice.

<u>(i)(g)</u> The association provides an implied easement across the common elements of the condominium property to the unit owner for purposes of the installation of the electric vehicle charging <u>or natural gas fuel</u> station <u>installation</u>, and the furnishing of electrical power <u>or natural gas fuel supply</u>, including any necessary equipment, to such charging <u>or fuel</u> station, subject to the requirements of this subsection.

Section 7. Section 718.1255, Florida Statutes, is amended to read:

718.1255 Alternative dispute resolution; voluntary

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765	mediation; mandatory nonbinding arbitration; legislative
766	findings
767	(1) DEFINITIONS.—As used in this section, the term
768	"dispute" means any disagreement between two or more parties
769	that involves:
770	(a) The authority of the board of directors, under this
771	chapter or association document to:
772	1. Require any owner to take any action, or not to take any
773	action, involving that owner's unit or the appurtenances
774	thereto.
775	2. Alter or add to a common area or element.
776	(b) The failure of a governing body, when required by this
777	chapter or an association document, to:
778	1. Properly conduct elections.
779	2. Give adequate notice of meetings or other actions.
780	3. Properly conduct meetings.
781	4. Allow inspection of books and records.
782	(c) A plan of termination pursuant to s. 718.117.
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784	"Dispute" does not include any disagreement that primarily
785	involves: title to any unit or common element; the
786	interpretation or enforcement of any warranty; the levy of a fee
787	or assessment, or the collection of an assessment levied against
788	a party; the eviction or other removal of a tenant from a unit;
789	alleged breaches of fiduciary duty by one or more directors; or
790	claims for damages to a unit based upon the alleged failure of
791	the association to maintain the common elements or condominium
792	property.
793	(2) VOLUNTARY MEDIATIONVoluntary mediation through



794 Citizen Dispute Settlement Centers as provided for in s. 44.201 795 is encouraged.

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(3) LEGISLATIVE FINDINGS.-

797 (a) The Legislature finds that unit owners are frequently 798 at a disadvantage when litigating against an association. 799 Specifically, a condominium association, with its statutory 800 assessment authority, is often more able to bear the costs and 801 expenses of litigation than the unit owner who must rely on his 802 or her own financial resources to satisfy the costs of 803 litigation against the association.

(b) The Legislature finds that alternative dispute 805 resolution has been making progress in reducing court dockets and trials and in offering a more efficient, cost-effective option to court litigation. However, the Legislature also finds that alternative dispute resolution should not be used as a mechanism to encourage the filing of frivolous or nuisance suits.

811 (c) There exists a need to develop a flexible means of 812 alternative dispute resolution that directs disputes to the most 813 efficient means of resolution.

814 (d) The high cost and significant delay of circuit court 815 litigation faced by unit owners in the state can be alleviated 816 by requiring nonbinding arbitration and mediation in appropriate cases, thereby reducing delay and attorney's fees while 817 818 preserving the right of either party to have its case heard by a 819 jury, if applicable, in a court of law.

820 (4) MANDATORY NONBINDING ARBITRATION AND MEDIATION OF 821 DISPUTES.-The Division of Florida Condominiums, Timeshares, and 822 Mobile Homes of the Department of Business and Professional



823 Regulation may employ full-time attorneys to act as arbitrators 824 to conduct the arbitration hearings provided by this chapter. 825 The division may also certify attorneys who are not employed by 826 the division to act as arbitrators to conduct the arbitration 827 hearings provided by this chapter. No person may be employed by 828 the department as a full-time arbitrator unless he or she is a 829 member in good standing of The Florida Bar. A person may only be 830 certified by the division to act as an arbitrator if he or she 831 has been a member in good standing of The Florida Bar for at 832 least 5 years and has mediated or arbitrated at least 10 833 disputes involving condominiums in this state during the 3 years 834 immediately preceding the date of application, mediated or 835 arbitrated at least 30 disputes in any subject area in this 836 state during the 3 years immediately preceding the date of 837 application, or attained board certification in real estate law 838 or condominium and planned development law from The Florida Bar. 839 Arbitrator certification is valid for 1 year. An arbitrator who 840 does not maintain the minimum gualifications for initial 841 certification may not have his or her certification renewed. The 842 department may not enter into a legal services contract for an 843 arbitration hearing under this chapter with an attorney who is 844 not a certified arbitrator unless a certified arbitrator is not 845 available within 50 miles of the dispute. The department shall adopt rules of procedure to govern such arbitration hearings 846 847 including mediation incident thereto. The decision of an 848 arbitrator shall be final; however, a decision shall not be 849 deemed final agency action. Nothing in this provision shall be 850 construed to foreclose parties from proceeding in a trial de 851 novo unless the parties have agreed that the arbitration is

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852 binding. If judicial proceedings are initiated, the final 853 decision of the arbitrator shall be admissible in evidence in 854 the trial de novo. 855 (a) Prior to the institution of court litigation, a party 856 to a dispute shall either petition the division for nonbinding 857 arbitration or initiate presuit mediation as provided in 858 subsection (5). Arbitration shall be binding on the parties if 859 all parties in arbitration agree to be bound in a writing filed 860 in arbitration. The petition must be accompanied by a filing fee in the amount of \$50. Filing fees collected under this section 861 862 must be used to defray the expenses of the alternative dispute 863 resolution program. 864 (b) The petition must recite, and have attached thereto, 865 supporting proof that the petitioner gave the respondents: 866 1. Advance written notice of the specific nature of the 867 dispute; 868 2. A demand for relief, and a reasonable opportunity to 869 comply or to provide the relief; and 870 3. Notice of the intention to file an arbitration petition 871 or other legal action in the absence of a resolution of the 872 dispute. 873 874 Failure to include the allegations or proof of compliance with 875 these prerequisites requires dismissal of the petition without 876 prejudice. 877 (c) Upon receipt, the petition shall be promptly reviewed 878 by the division to determine the existence of a dispute and 879 compliance with the requirements of paragraphs (a) and (b). If 880 emergency relief is required and is not available through

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arbitration, a motion to stay the arbitration may be filed. The motion must be accompanied by a verified petition alleging facts that, if proven, would support entry of a temporary injunction, and if an appropriate motion and supporting papers are filed, the division may abate the arbitration pending a court hearing and disposition of a motion for temporary injunction.

(d) Upon determination by the division that a dispute 887 888 exists and that the petition substantially meets the 889 requirements of paragraphs (a) and (b) and any other applicable 890 rules, the division shall assign or enter into a contract with 891 an arbitrator and serve a copy of the petition upon all 892 respondents. The arbitrator shall conduct a hearing within 30 893 days after being assigned or entering into a contract unless the 894 petition is withdrawn or a continuance is granted for good cause 895 shown.

896 (e) Before or after the filing of the respondents' answer 897 to the petition, any party may request that the arbitrator refer 898 the case to mediation under this section and any rules adopted 899 by the division. Upon receipt of a request for mediation, the 900 division shall promptly contact the parties to determine if 901 there is agreement that mediation would be appropriate. If all 902 parties agree, the dispute must be referred to mediation. 903 Notwithstanding a lack of an agreement by all parties, the 904 arbitrator may refer a dispute to mediation at any time.

905 (f) Upon referral of a case to mediation, the parties must 906 select a mutually acceptable mediator. To assist in the 907 selection, the arbitrator shall provide the parties with a list 908 of both volunteer and paid mediators that have been certified by 909 the division under s. 718.501. If the parties are unable to



910 agree on a mediator within the time allowed by the arbitrator, 911 the arbitrator shall appoint a mediator from the list of 912 certified mediators. If a case is referred to mediation, the 913 parties shall attend a mediation conference, as scheduled by the 914 parties and the mediator. If any party fails to attend a duly 915 noticed mediation conference, without the permission or approval 916 of the arbitrator or mediator, the arbitrator must impose 917 sanctions against the party, including the striking of any pleadings filed, the entry of an order of dismissal or default 918 919 if appropriate, and the award of costs and attorney fees 920 incurred by the other parties. Unless otherwise agreed to by the 921 parties or as provided by order of the arbitrator, a party is 922 deemed to have appeared at a mediation conference by the 923 physical presence of the party or its representative having full 924 authority to settle without further consultation, provided that 925 an association may comply by having one or more representatives 926 present with full authority to negotiate a settlement and 927 recommend that the board of administration ratify and approve 928 such a settlement within 5 days from the date of the mediation 929 conference. The parties shall share equally the expense of 930 mediation, unless they agree otherwise.

931 (g) The purpose of mediation as provided for by this 932 section is to present the parties with an opportunity to resolve 933 the underlying dispute in good faith, and with a minimum 934 expenditure of time and resources.

935 (h) Mediation proceedings must generally be conducted in 936 accordance with the Florida Rules of Civil Procedure, and these 937 proceedings are privileged and confidential to the same extent 938 as court-ordered mediation. Persons who are not parties to the



939 dispute are not allowed to attend the mediation conference 940 without the consent of all parties, with the exception of 941 counsel for the parties and corporate representatives designated 942 to appear for a party. If the mediator declares an impasse after 943 a mediation conference has been held, the arbitration proceeding 944 terminates, unless all parties agree in writing to continue the 945 arbitration proceeding, in which case the arbitrator's decision 946 shall be binding or nonbinding, as agreed upon by the parties; in the arbitration proceeding, the arbitrator shall not consider 947 948 any evidence relating to the unsuccessful mediation except in a 949 proceeding to impose sanctions for failure to appear at the 950 mediation conference. If the parties do not agree to continue 951 arbitration, the arbitrator shall enter an order of dismissal, 952 and either party may institute a suit in a court of competent 953 jurisdiction. The parties may seek to recover any costs and 954 attorney fees incurred in connection with arbitration and 955 mediation proceedings under this section as part of the costs 956 and fees that may be recovered by the prevailing party in any 957 subsequent litigation.

(i) Arbitration shall be conducted according to rulesadopted by the division. The filing of a petition forarbitration shall toll the applicable statute of limitations.

961 (j) At the request of any party to the arbitration, the 962 arbitrator shall issue subpoenas for the attendance of witnesses 963 and the production of books, records, documents, and other 964 evidence and any party on whose behalf a subpoena is issued may 965 apply to the court for orders compelling such attendance and 966 production. Subpoenas shall be served and shall be enforceable 967 in the manner provided by the Florida Rules of Civil Procedure.

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968 Discovery may, in the discretion of the arbitrator, be permitted 969 in the manner provided by the Florida Rules of Civil Procedure. 970 Rules adopted by the division may authorize any reasonable 971 sanctions except contempt for a violation of the arbitration 972 procedural rules of the division or for the failure of a party 973 to comply with a reasonable nonfinal order issued by an 974 arbitrator which is not under judicial review.

975 (k) The arbitration decision shall be rendered within 30 976 days after the hearing and presented to the parties in writing. An arbitration decision is final in those disputes in which the 977 978 parties have agreed to be bound. An arbitration decision is also 979 final if a complaint for a trial de novo is not filed in a court 980 of competent jurisdiction in which the condominium is located 981 within 30 days. The right to file for a trial de novo entitles 982 the parties to file a complaint in the appropriate trial court 983 for a judicial resolution of the dispute. The prevailing party 984 in an arbitration proceeding shall be awarded the costs of the 985 arbitration and reasonable attorney fees in an amount determined 986 by the arbitrator. Such an award shall include the costs and 987 reasonable attorney fees incurred in the arbitration proceeding 988 as well as the costs and reasonable attorney fees incurred in 989 preparing for and attending any scheduled mediation. An 990 arbitrator's failure to render a written decision within 30 days 991 after the hearing may result in the cancellation of his or her 992 arbitration certification.

993 (1) The party who files a complaint for a trial de novo 994 shall be assessed the other party's arbitration costs, court 995 costs, and other reasonable costs, including attorney fees, 996 investigation expenses, and expenses for expert or other



997 testimony or evidence incurred after the arbitration hearing if 998 the judgment upon the trial de novo is not more favorable than 999 the arbitration decision. If the judgment is more favorable, the 1000 party who filed a complaint for trial de novo shall be awarded 1001 reasonable court costs and attorney fees.

1002 (m) Any party to an arbitration proceeding may enforce an arbitration award by filing a petition in a court of competent 1003 1004 jurisdiction in which the condominium is located. A petition may 1005 not be granted unless the time for appeal by the filing of a 1006 complaint for trial de novo has expired. If a complaint for a 1007 trial de novo has been filed, a petition may not be granted with 1008 respect to an arbitration award that has been stayed. If the 1009 petition for enforcement is granted, the petitioner shall 1010 recover reasonable attorney fees and costs incurred in enforcing 1011 the arbitration award. A mediation settlement may also be 1012 enforced through the county or circuit court, as applicable, and 1013 any costs and fees incurred in the enforcement of a settlement 1014 agreement reached at mediation must be awarded to the prevailing 1015 party in any enforcement action.

(5) <u>PRESUIT MEDIATION.-In lieu of the initiation of</u> <u>mandatory nonbinding arbitration set forth in subsections (1)-</u> (4), a party may submit a dispute to presuit mediation in accordance with s. 720.311. Election and recall disputes are not eligible for mediation; such disputes must be arbitrated by the division or filed with a court of competent jurisdiction.

1022 (6) DISPUTES INVOLVING ELECTION IRREGULARITIES.-Every 1023 arbitration petition received by the division and required to be 1024 filed under this section challenging the legality of the 1025 election of any director of the board of administration must be

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1026 handled on an expedited basis in the manner provided by the 1027 division's rules for recall arbitration disputes.

(7) (6) APPLICABILITY.-This section does not apply to a nonresidential condominium unless otherwise specifically provided for in the declaration of the nonresidential condominium.

Section 8. Subsection (1) and paragraph (b) of subsection (3) of section 718.303, Florida Statutes, are amended to read:

718.303 Obligations of owners and occupants; remedies.-

(1) Each unit owner, each tenant and other invitee, and each association is governed by, and must comply with the provisions of, this chapter, the declaration, the documents creating the association, and the association bylaws which are shall be deemed expressly incorporated into any lease of a unit. Actions at law or in equity for damages or for injunctive relief, or both, for failure to comply with these provisions may be brought by the association or by a unit owner against:

(a) The association.

(b) A unit owner.

(c) Directors designated by the developer, for actions taken by them before control of the association is assumed by unit owners other than the developer.

(d) Any director who willfully and knowingly fails to 1049 comply with these provisions.

(e) Any tenant leasing a unit, and any other invitee occupying a unit.

1053 The prevailing party in any such action or in any action in which the purchaser claims a right of voidability based upon 1054



1055 contractual provisions as required in s. 718.503(1)(a) is 1056 entitled to recover reasonable attorney attorney's fees. A unit 1057 owner prevailing in an action between the association and the 1058 unit owner under this subsection section, in addition to 1059 recovering his or her reasonable attorney attorney's fees, may 1060 recover additional amounts as determined by the court to be 1061 necessary to reimburse the unit owner for his or her share of 1062 assessments levied by the association to fund its expenses of 1063 the litigation. This relief does not exclude other remedies 1064 provided by law. Actions arising under this subsection are not 1065 considered may not be deemed to be actions for specific 1066 performance.

(3) The association may levy reasonable fines for the failure of the owner of the unit or its occupant, licensee, or invitee to comply with any provision of the declaration, the association bylaws, or reasonable rules of the association. A fine may not become a lien against a unit. A fine may be levied by the board on the basis of each day of a continuing violation, with a single notice and opportunity for hearing before a committee as provided in paragraph (b). However, the fine may not exceed \$100 per violation, or \$1,000 in the aggregate.

1076 (b) A fine or suspension levied by the board of 1077 administration may not be imposed unless the board first 1078 provides at least 14 days' written notice to the unit owner and, 1079 if applicable, any tenant occupant, licensee, or invitee of the 1080 unit owner sought to be fined or suspended, and an opportunity 1081 for a hearing before a committee of at least three members appointed by the board who are not officers, directors, or 1082 1083 employees of the association, or the spouse, parent, child,

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1084 brother, or sister of an officer, director, or employee. The 1085 role of the committee is limited to determining whether to 1086 confirm or reject the fine or suspension levied by the board. If 1087 the committee does not approve the proposed fine or suspension 1088 by majority vote, the fine or suspension may not be imposed. If 1089 the proposed fine or suspension is approved by the committee, 1090 the fine payment is due 5 days after notice of the approved fine 1091 is provided to the unit owner and, if applicable, to any tenant, 1092 licensee, or invitee of the unit owner the date of the committee 1093 meeting at which the fine is approved. The association must 1094 provide written notice of such fine or suspension by mail or 1095 hand delivery to the unit owner and, if applicable, to any 1096 tenant, licensee, or invitee of the unit owner. 1097 Section 9. Section 718.5014, Florida Statutes, is amended 1098 to read:

718.5014 Ombudsman location.-The ombudsman shall maintain 1099 his or her principal office in a Leon County on the premises of 1100 1101 the division or, if suitable space cannot be provided there, at 1102 another place convenient to the offices of the division which 1103 will enable the ombudsman to expeditiously carry out the duties 1104 and functions of his or her office. The ombudsman may establish 1105 branch offices elsewhere in the state upon the concurrence of 1106 the Governor.

1107 Section 10. Subsection (25) of section 719.103, Florida
1108 Statutes, is amended to read:

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719.103 Definitions.-As used in this chapter:

1110 (25) "Unit" means a part of the cooperative property which 1111 is subject to exclusive use and possession. A unit may be 1112 improvements, land, or land and improvements together, as



1113 specified in the cooperative documents. An interest in a unit is 1114 an interest in real property. 1115 Section 11. Paragraph (c) of subsection (2) of section 1116 719.104, Florida Statutes, is amended to read: 719.104 Cooperatives; access to units; records; financial 1117 1118 reports; assessments; purchase of leases.-(2) OFFICIAL RECORDS.-1119 1120 (c) The official records of the association are open to 1121 inspection by any association member or the authorized 1122 representative of such member at all reasonable times. The right 1123 to inspect the records includes the right to make or obtain 1124 copies, at the reasonable expense, if any, of the association 1125 member. The association may adopt reasonable rules regarding the 1126 frequency, time, location, notice, and manner of record 1127 inspections and copying, but may not require a member to 1128 demonstrate any purpose or state any reason for the inspection. 1129 The failure of an association to provide the records within 10 1130 working days after receipt of a written request creates a 1131 rebuttable presumption that the association willfully failed to 1132 comply with this paragraph. A member unit owner who is denied 1133 access to official records is entitled to the actual damages or 1134 minimum damages for the association's willful failure to comply. 1135 The minimum damages are \$50 per calendar day for up to 10 days, beginning on the 11th working day after receipt of the written 1136 1137 request. The failure to permit inspection entitles any person 1138 prevailing in an enforcement action to recover reasonable 1139 attorney fees from the person in control of the records who, directly or indirectly, knowingly denied access to the records. 1140 Any person who knowingly or intentionally defaces or destroys 1141



1142 accounting records that are required by this chapter to be maintained during the period for which such records are required 1143 1144 to be maintained, or who knowingly or intentionally fails to 1145 create or maintain accounting records that are required to be 1146 created or maintained, with the intent of causing harm to the 1147 association or one or more of its members, is personally subject 1148 to a civil penalty under pursuant to s. 719.501(1)(d). The 1149 association shall maintain an adequate number of copies of the 1150 declaration, articles of incorporation, bylaws, and rules, and 1151 all amendments to each of the foregoing, as well as the question 1152 and answer sheet as described in s. 719.504 and year-end 1153 financial information required by the department, on the 1154 cooperative property to ensure their availability to members 1155 unit owners and prospective purchasers, and may charge its 1156 actual costs for preparing and furnishing these documents to 1157 those requesting the same. An association shall allow a member 1158 or his or her authorized representative to use a portable 1159 device, including a smartphone, tablet, portable scanner, or any 1160 other technology capable of scanning or taking photographs, to 1161 make an electronic copy of the official records in lieu of the 1162 association providing the member or his or her authorized 1163 representative with a copy of such records. The association may 1164 not charge a member or his or her authorized representative for 1165 the use of a portable device. Notwithstanding this paragraph, 1166 the following records shall not be accessible to members unit 1167 owners:

1168 1. Any record protected by the lawyer-client privilege as 1169 described in s. 90.502 and any record protected by the work-1170 product privilege, including any record prepared by an

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1171 association attorney or prepared at the attorney's express 1172 direction which reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the 1173 1174 association, and which was prepared exclusively for civil or 1175 criminal litigation or for adversarial administrative 1176 proceedings, or which was prepared in anticipation of such 1177 litigation or proceedings until the conclusion of the litigation 1178 or proceedings.

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

3. Personnel records of association or management company employees, including, but not limited to, disciplinary, payroll, health, and insurance records. For purposes of this subparagraph, the term "personnel records" does not include written employment agreements with an association employee or management company, or budgetary or financial records that indicate the compensation paid to an association employee.

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4. Medical records of unit owners.

1190 5. Social security numbers, driver license numbers, credit 1191 card numbers, e-mail addresses, telephone numbers, facsimile 1192 numbers, emergency contact information, addresses of a unit 1193 owner other than as provided to fulfill the association's notice 1194 requirements, and other personal identifying information of any 1195 person, excluding the person's name, unit designation, mailing address, property address, and any address, e-mail address, or 1196 1197 facsimile number provided to the association to fulfill the 1198 association's notice requirements. Notwithstanding the 1199 restrictions in this subparagraph, an association may print and

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1200 distribute to unit parcel owners a directory containing the 1201 name, unit parcel address, and all telephone numbers of each 1202 unit parcel owner. However, an owner may exclude his or her 1203 telephone numbers from the directory by so requesting in writing 1204 to the association. An owner may consent in writing to the 1205 disclosure of other contact information described in this subparagraph. The association is not liable for the inadvertent 1206 1207 disclosure of information that is protected under this 1208 subparagraph if the information is included in an official 1209 record of the association and is voluntarily provided by an 1210 owner and not requested by the association.

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

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

Section 12. Paragraph (b) of subsection (1) of section 719.106, Florida Statutes, is amended, and subsection (3) is added to that section, to read:

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719.106 Bylaws; cooperative ownership.-

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

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(b) Quorum; voting requirements; proxies.-

1225 1. Unless otherwise provided in the bylaws, the percentage 1226 of voting interests required to constitute a quorum at a meeting 1227 of the members shall be a majority of voting interests, and 1228 decisions shall be made by owners of a majority of the voting



1229 interests. Unless otherwise provided in this chapter, or in the 1230 articles of incorporation, bylaws, or other cooperative 1231 documents, and except as provided in subparagraph (d)1., 1232 decisions shall be made by owners of a majority of the voting 1233 interests represented at a meeting at which a quorum is present.

1234 2. Except as specifically otherwise provided herein, after 1235 January 1, 1992, unit owners may not vote by general proxy, but 1236 may vote by limited proxies substantially conforming to a 1237 limited proxy form adopted by the division. Limited proxies and 1238 general proxies may be used to establish a quorum. Limited 1239 proxies shall be used for votes taken to waive or reduce 1240 reserves in accordance with subparagraph (j)2., for votes taken 1241 to waive the financial reporting requirements of s. 1242 719.104(4)(b), for votes taken to amend the articles of 1243 incorporation or bylaws pursuant to this section, and for any 1244 other matter for which this chapter requires or permits a vote 1245 of the unit owners. Except as provided in paragraph (d), after 1246 January 1, 1992, no proxy, limited or general, shall be used in 1247 the election of board members. General proxies may be used for 1248 other matters for which limited proxies are not required, and 1249 may also be used in voting for nonsubstantive changes to items 1250 for which a limited proxy is required and given. Notwithstanding 1251 the provisions of this section, unit owners may vote in person at unit owner meetings. Nothing contained herein shall limit the 1252 1253 use of general proxies or require the use of limited proxies or 1254 require the use of limited proxies for any agenda item or 1255 election at any meeting of a timeshare cooperative.

1256 3. Any proxy given shall be effective only for the specific1257 meeting for which originally given and any lawfully adjourned

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1258 meetings thereof. In no event shall any proxy be valid for a 1259 period longer than 90 days after the date of the first meeting 1260 for which it was given. Every proxy shall be revocable at any 1261 time at the pleasure of the unit owner executing it.

4. A member of the board of administration or a committee may submit in writing his or her agreement or disagreement with any action taken at a meeting that the member did not attend. This agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.

5. <u>A board or committee member participating in a meeting</u> <u>via telephone, real-time video conferencing, or similar real-</u> <u>time electronic or video communication counts toward a quorum,</u> <u>and such member may vote as if physically present</u> When some or <u>all of the board or committee members meet by telephone</u> <u>conference, those board or committee members attending by</u> <u>telephone conference may be counted toward obtaining a quorum</u> <u>and may vote by telephone</u>. A <u>telephone</u> speaker <u>must</u> shall be <u>used</u> utilized so that the conversation of <u>such</u> those board or committee members attending by telephone may be heard by the board or committee members attending in person, as well as by any unit owners present at a meeting.

(3) GENERALLY.-The association may extinguish a discriminatory restriction, as defined in s. 712.065(1), pursuant to s. 712.065.

Section 13. Paragraph (1) of subsection (4) of section 720.303, Florida Statutes, is redesignated as paragraph (m), a new paragraph (1) is added to that subsection, and paragraph (c) of subsection (2) and present paragraph (1) of subsection (4) of

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1287 that section are amended, to read:

1288 720.303 Association powers and duties; meetings of board; 1289 official records; budgets; financial reporting; association 1290 funds; recalls.-

(2) BOARD MEETINGS.-

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

1295 1. Notices of all board meetings must be posted in a 1296 conspicuous place in the community at least 48 hours in advance 1297 of a meeting, except in an emergency. In the alternative, if 1298 notice is not posted in a conspicuous place in the community, 1299 notice of each board meeting must be mailed or delivered to each 1300 member at least 7 days before the meeting, except in an 1301 emergency. Notwithstanding this general notice requirement, for 1302 communities with more than 100 members, the association bylaws 1303 may provide for a reasonable alternative to posting or mailing of notice for each board meeting, including publication of 1304 1305 notice, provision of a schedule of board meetings, or the 1306 conspicuous posting and repeated broadcasting of the notice on a 1307 closed-circuit cable television system serving the homeowners' 1308 association. However, if broadcast notice is used in lieu of a 1309 notice posted physically in the community, the notice must be 1310 broadcast at least four times every broadcast hour of each day 1311 that a posted notice is otherwise required. When broadcast 1312 notice is provided, the notice and agenda must be broadcast in a 1313 manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and 1314 1315 comprehend the entire content of the notice and the agenda. In



1316 addition to any of the authorized means of providing notice of a 1317 meeting of the board, the association may adopt, by rule, a 1318 procedure for conspicuously posting the meeting notice and the 1319 agenda on the association's website for at least the minimum 1320 period of time for which a notice of a meeting is also required 1321 to be physically posted on the association property. Any such 1322 rule must require the association to send to members whose e-1323 mail addresses are included in the association's official 1324 records an electronic notice in the same manner as is required 1325 for a notice of a meeting of the members. Such notice must 1326 include a hyperlink to the website where the notice is posted. 1327 The association may provide notice by electronic transmission in 1328 a manner authorized by law for meetings of the board of 1329 directors, committee meetings requiring notice under this 1330 section, and annual and special meetings of the members to any 1331 member who has provided a facsimile number or e-mail address to 1332 the association to be used for such purposes; however, a member 1333 must consent in writing to receiving notice by electronic 1334 transmission.

1335 2. An assessment may not be levied at a board meeting 1336 unless the notice of the meeting includes a statement that 1337 assessments will be considered and the nature of the 1338 assessments. Written notice of any meeting at which special assessments will be considered or at which amendments to rules 1339 1340 regarding parcel use will be considered must be mailed, 1341 delivered, or electronically transmitted to the members and 1342 parcel owners and posted conspicuously on the property or 1343 broadcast on closed-circuit cable television not less than 14 days before the meeting. 1344

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1345 3. Directors may not vote by proxy or by secret ballot at

5. Directors may not vote by proxy of by secret barrot at
board meetings, except that secret ballots may be used in the
election of officers. This subsection also applies to the
meetings of any committee or other similar body, when a final
decision will be made regarding the expenditure of association
funds, and to any body vested with the power to approve or
disapprove architectural decisions with respect to a specific
parcel of residential property owned by a member of the
community.
(4) OFFICIAL RECORDSThe association shall maintain each
of the following items, when applicable, which constitute the
official records of the association:
(1) Ballots, sign-in sheets, voting proxies, and all other
papers and electronic records relating to voting by parcel
owners, which must be maintained for at least 1 year after the
date of the election, vote, or meeting.
(m) (l) All other written records of the association not
specifically included in this subsection the foregoing which are
related to the operation of the association.
Section 14. Subsections (1) and (2) of section 720.305,
Florida Statutes, are amended to read:
720.305 Obligations of members; remedies at law or in
equity; levy of fines and suspension of use rights
(1) Each member and the member's tenants, guests, and
invitees, and each association, are governed by, and must comply
with, this chapter and, the governing documents of the
community , and the rules of the association . Actions at law or
in equity, or both, to redress alleged failure or refusal to
comply with these provisions may be brought by the association

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1374 or by any member against:

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(a) The association;

(b) A member;

(c) Any director or officer of an association who willfully 1378 and knowingly fails to comply with these provisions; and

(d) Any tenants, quests, or invitees occupying a parcel or using the common areas.

1382 The prevailing party in any such litigation is entitled to 1383 recover reasonable attorney fees and costs. A member prevailing 1384 in an action between the association and the member under this 1385 section, in addition to recovering his or her reasonable 1386 attorney fees, may recover additional amounts as determined by 1387 the court to be necessary to reimburse the member for his or her 1388 share of assessments levied by the association to fund its 1389 expenses of the litigation. This relief does not exclude other 1390 remedies provided by law. This section does not deprive any 1391 person of any other available right or remedy.

1392 (2) An The association may levy reasonable fines. A fine 1393 may not exceed \$100 per violation against any member or any 1394 member's tenant, quest, or invitee for the failure of the owner 1395 of the parcel or its occupant, licensee, or invitee to comply 1396 with any provision of the declaration, the association bylaws, 1397 or reasonable rules of the association unless otherwise provided 1398 in the governing documents. A fine may be levied by the board 1399 for each day of a continuing violation, with a single notice and 1400 opportunity for hearing, except that the fine may not exceed \$1,000 in the aggregate unless otherwise provided in the 1401 governing documents. A fine of less than \$1,000 may not become a 1402



1403 lien against a parcel. In any action to recover a fine, the 1404 prevailing party is entitled to reasonable attorney fees and 1405 costs from the nonprevailing party as determined by the court.

1406 (a) An association may suspend, for a reasonable period of 1407 time, the right of a member, or a member's tenant, guest, or 1408 invitee, to use common areas and facilities for the failure of 1409 the owner of the parcel or its occupant, licensee, or invitee to 1410 comply with any provision of the declaration, the association 1411 bylaws, or reasonable rules of the association. This paragraph 1412 does not apply to that portion of common areas used to provide 1413 access or utility services to the parcel. A suspension may not 1414 prohibit an owner or tenant of a parcel from having vehicular 1415 and pedestrian ingress to and egress from the parcel, including, 1416 but not limited to, the right to park.

1417 (b) A fine or suspension levied by the board of 1418 administration may not be imposed unless the board first 1419 provides at least 14 days' notice to the parcel owner and, if 1420 applicable, any occupant, licensee, or invitee of the parcel 1421 owner, sought to be fined or suspended and an opportunity for a 1422 hearing before a committee of at least three members appointed 1423 by the board who are not officers, directors, or employees of 1424 the association, or the spouse, parent, child, brother, or 1425 sister of an officer, director, or employee. If the committee, 1426 by majority vote, does not approve a proposed fine or 1427 suspension, the proposed fine or suspension may not be imposed. 1428 The role of the committee is limited to determining whether to 1429 confirm or reject the fine or suspension levied by the board. If the proposed fine or suspension levied by the board is approved 1430 by the committee, the fine payment is due 5 days after notice of 1431

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1432	the approved fine is provided to the parcel owner and, if
1433	applicable, to any occupant, licensee, or invitee of the parcel
1434	owner the date of the committee meeting at which the fine is
1435	approved. The association must provide written notice of such
1436	fine or suspension by mail or hand delivery to the parcel owner
1437	and, if applicable, to any <u>occupant</u> tenant, licensee, or invitee
1438	of the parcel owner.
1439	Section 15. Paragraph (g) of subsection (1) of section
1440	720.306, Florida Statutes, is amended to read:
1441	720.306 Meetings of members; voting and election
1442	procedures; amendments
1443	(1) QUORUM; AMENDMENTS
1444	(g) A notice required under this section must be mailed or
1445	delivered to the address identified as the parcel owner's
1446	mailing address in the official records of the association as
1447	required under s. 720.303(4) on the property appraiser's website
1448	for the county in which the parcel is located, or electronically
1449	transmitted in a manner authorized by the association if the
1450	parcel owner has consented, in writing, to receive notice by
1451	electronic transmission.
1452	Section 16. Subsection (6) is added to section 720.3075,
1453	Florida Statutes, to read:
1454	720.3075 Prohibited clauses in association documents
1455	(6) The association may extinguish a discriminatory
1456	restriction, as defined in s. 712.065(1), pursuant to s.
1457	712.065.
1458	Section 17. This act shall take effect July 1, 2020.
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1460	========== T I T L E A M E N D M E N T =================================



1461	And the title is amended as follows:
1462	Delete everything before the enacting clause
1463	and insert:
1464	A bill to be entitled
1465	An act relating to community associations; amending s.
1466	514.0115, F.S.; exempting certain property association
1467	pools from Department of Health regulations; amending
1468	s. 627.714, F.S.; prohibiting subrogation rights
1469	against a condominium association under certain
1470	circumstances; creating s. 712.065, F.S.; defining the
1471	term "discriminatory restriction"; providing that
1472	discriminatory restrictions are unlawful,
1473	unenforceable, and declared null and void; providing
1474	that certain discriminatory restrictions are
1475	extinguished and severed from recorded title
1476	transactions; specifying that the recording of certain
1477	notices does not reimpose or preserve a discriminatory
1478	restriction; providing requirements for a parcel owner
1479	to remove a discriminatory restriction from a covenant
1480	or restriction; amending s. 718.111, F.S.; requiring
1481	that certain records be maintained for a specified
1482	time; prohibiting an association from requiring
1483	certain actions relating to the inspection of records;
1484	revising requirements relating to the posting of
1485	digital copies of certain documents by certain
1486	condominium associations; amending s. 718.112, F.S.;
1487	authorizing condominium associations to extinguish
1488	discriminatory restrictions; specifying that only
1489	board service that occurs on or after a specified date



1490 may be used for calculating a board member's term 1491 limit; providing requirements for certain notices; 1492 prohibiting an association from charging certain fees; 1493 providing an exception; conforming provisions to 1494 changes made by the act; deleting a prohibition 1495 against employing or contracting with certain service 1496 providers; amending s. 718.113, F.S.; defining the 1497 terms "natural gas fuel" and "natural gas fuel 1498 vehicle"; revising legislative findings; revising 1499 requirements for electric vehicle charging stations; 1500 providing requirements for the installation of natural 1501 gas fuel stations on property governed by condominium 1502 associations; amending s. 718.1255, F.S.; authorizing 1503 parties to initiate presuit mediation under certain 1504 circumstances; specifying when arbitration is binding 1505 on the parties; providing requirements for presuit 1506 mediation; amending s. 718.303, F.S.; revising 1507 requirements for certain actions for failure to comply 1508 with specified provisions; revising requirements for 1509 certain fines; amending s. 718.5014, F.S.; revising 1510 where the principal office of the Office of the 1511 Condominium Ombudsman must be maintained; amending s. 1512 719.103, F.S.; revising the definition of the term 1513 "unit" to specify that an interest in a cooperative 1514 unit is an interest in real property; amending s. 1515 719.104, F.S.; prohibiting an association from 1516 requiring certain actions relating to the inspection 1517 of records; making technical changes; amending s. 1518 719.106, F.S.; revising provisions relating to a

COMMITTEE AMENDMENT

Florida Senate - 2020 Bill No. SB 1154



1519 quorum and voting rights for members remotely 1520 participating in meetings; authorizing cooperative 1521 associations to extinguish discriminatory 1522 restrictions; amending s. 720.303, F.S.; authorizing 1523 an association to adopt procedures for electronic 1524 meeting notices; revising the documents that constitute the official records of an association; 1525 1526 amending s. 720.305, F.S.; providing requirements for certain fines; amending s. 720.306, F.S.; revising 1527 1528 requirements for providing certain notices; amending 1529 s. 720.3075, F.S.; authorizing homeowners' 1530 associations to extinguish discriminatory 1531 restrictions; providing an effective date.