

By Senator Campbell

33-893-02

1 A bill to be entitled
2 An act relating to condominiums; creating s.
3 718.701, F.S.; providing definitions; creating
4 s. 718.702, F.S.; providing for master
5 association meetings; requiring certain
6 notices; establishing meeting rules; creating
7 s. 718.703, F.S.; providing powers of the
8 Division of Florida Land Sales, Condominiums,
9 and Mobile Homes over master associations;
10 creating s. 718.704, F.S.; requiring master
11 associations to provide certain financial
12 records or statements; providing an effective
13 date.

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

16
17 Section 1. Section 718.701, Florida Statutes, is
18 created to read:

19 718.701 Definitions.--As used in ss. 718.701-718.704,
20 the term:

21 (1) "Affected owner" means a condominium unit owner
22 that has use rights in the common property or facilities
23 administered by the master association.

24 (2) "Master association" means any entity not covered
25 under the definition of "association" in s. 718.103(2) which
26 has been given, by a condominium association, control or
27 decision-making authority over real property or facilities of
28 the association which would otherwise be controlled by that
29 association under its governing documents, and which receives
30 moneys funded by mandatory dues or assessments paid by
31 condominium unit owners, whether or not the master association

1 has a governing body that includes representatives of the
2 condominium association. The term does not include an entity
3 that is granted management or maintenance responsibility under
4 a service contract with a single association.

5 (3) "Master association documents" means any
6 declaration of covenants and restrictions or other
7 organizational document that governs the property administered
8 by the master association and includes the bylaws and the
9 articles of incorporation of the master association.

10 (4) "Member" means a member of the master association
11 as designated by the master association documents.

12 (5) "Revenues" means all regular or special
13 assessments for reserves, operating or other expenses, and all
14 other sources of revenue, including interest, user fees,
15 developer subsidies, litigation proceeds, and insurance
16 proceeds.

17 Section 2. Section 718.702, Florida Statutes, is
18 created to read:

19 718.702 Master association meetings; records.--

20 (1) Meetings of a master association board at which a
21 quorum of board members are present are open to the members of
22 the master association and affected owners. Meetings between
23 the board or a committee and the master association attorney
24 with respect to proposed or pending litigation, or board or
25 committee meetings pertaining to legal advice, are not open to
26 the membership of the master association, and notice to the
27 membership is not required.

28 (a) Adequate meeting notice that specifies agenda
29 items must be given by the association in the same form and
30 manner as notices of board of director meetings of the
31 association to which the affected unit owners belong. Any item

1 not included in the notice may be taken up on an emergency
2 basis by at least a majority plus one vote of the members of
3 the board. Such emergency action must be noticed and ratified
4 at the next regular meeting of the board. However, written
5 notice of any meeting at which nonemergency special
6 assessments or amendments to the rules regarding unit use will
7 be considered must be mailed or delivered to the members and
8 affected owners and posted conspicuously on the condominium
9 association property not less than 14 days prior to the
10 meeting. Evidence of compliance with the notice must be made
11 by affidavit executed by the person providing the notice and
12 must be maintained among the official records of the
13 association.

14 (b) The right to attend such meetings includes the
15 right to speak with reference to all designated agenda items.
16 The master association may adopt written reasonable rules
17 governing the frequency, duration, and manner of unit owner
18 statements.

19 (2) Subsection 718.111(12) applies to master
20 associations, except that references to unit owners contained
21 in that subsection apply to members and affected owners, and
22 references to condominium documents therein refer to the
23 master association documents.

24 Section 3. Section 718.703, Florida Statutes, is
25 created to read:

26 718.703 Powers of Division of Florida Land Sales,
27 Condominiums, and Mobile Homes over master associations.--On
28 demand by the division, any condominium association must
29 notify the division of any master association with which it is
30 associated which is pertinent to any inquiry or investigation
31 regarding the rights of individual unit owners, and must

1 provide copies of documents that establish and govern the
2 relationship between the association and the master
3 association.

4 Section 4. Section 718.704, Florida Statutes, is
5 created to read:

6 718.704 Financial reporting.--

7 (1) If total annual revenue of a master association is
8 \$100,000 or less, the association shall obtain from the master
9 association for inclusion in the association's records a
10 complete cash basis financial report of actual receipts and
11 expenditures for the prior fiscal year.

12 (2) If total annual revenue of a master association
13 exceeds \$100,000, the association shall prepare a complete set
14 of financial statements in accordance with generally accepted
15 accounting principles as follows:

16 (a) If total annual revenue of the master association
17 exceeds \$100,000 but is less than \$200,000, the association
18 shall obtain from the master association for inclusion in the
19 association's records compiled financial statements.

20 (b) If total annual revenue of the master association
21 exceeds \$200,000 but is less than \$400,000, the association
22 shall obtain from the master association for inclusion in the
23 association's records reviewed financial statements.

24 (c) If total annual revenue of the master association
25 exceeds \$400,000, the association shall obtain from the master
26 association for inclusion in the association's records audited
27 financial statements.

28 (3) Master associations may exceed these reporting
29 requirements.

30 (4) The association shall obtain the financial reports
31 or statements within 90 days following the end of the fiscal

1 year to which the reports or statements relate. The
2 condominium association shall make the reports or statements
3 available to condominium unit owners in the manner and form
4 required under its governing documents, but no later than 14
5 days after receipt.

6 (5) This section does not limit public records or
7 disclosure requirements that are required of a master
8 association or association under their governing documents or
9 under any other provision of law.

10 Section 5. This act shall take effect July 1, 2002.

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12 SENATE SUMMARY

13 Creates provisions relating to condominium master
14 associations and provides for powers of, duties of,
15 regulation of, and reporting by such associations. (See
16 bill for details.)