Bill No. CS for CS for SB 694 Amendment No. ____ Barcode 260806 CHAMBER ACTION Senate House 1 2 3 4 5 6 7 8 9 10 Senator Campbell moved the following amendment: 11 12 13 Senate Amendment (with title amendment) On page 17, between lines 15 and 16, 14 15 16 insert: 17 Section 13. 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: (1) "Affected owner" means a condominium unit owner or 21 22 homeowner that has use rights in the common property or facilities administered by the master association. 23 24 (2) "Master association" means any entity not covered under the definition of "association" in s. 718.103(2) which 25 26 has been given control or decision-making authority over real 27 property or facilities serving one or more condominiums under its governing documents, and which receives moneys funded by 28 29 mandatory dues or assessments paid by affected owners, whether 30 or not the master association has a governing body that 31 includes representatives of the condominium association. The 1 12:56 PM 03/05/02

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term does not include an entity that is granted management or 1 2 maintenance responsibility under a service contract with a 3 single association. The term also does not include any entity 4 that has been granted or assigned decision-making authority over real property or facilities that include, in whole or in 5 part, a timeshare plan as defined in s. 721.03, or any entity б 7 governed under chapter 720, until control of the association has been relinquished by the developer. 8 (3) "Master association documents" means any 9 10 declaration of covenants and restrictions or other 11 organizational document that governs the property administered 12 by the master association and includes the bylaws and the articles of incorporation of the master association. 13 "Member" means a member of the master association 14 (4) 15 as designated by the master association documents. (5) "Revenues" means all regular or special 16 17 assessments for reserves, operating or other expenses, and all 18 other sources of revenue, including interest, user fees, developer subsidies, litigation proceeds, and insurance 19 20 proceeds. 21 Section 14. Section 718.702, Florida Statutes, is 22 created to read: 718.702 Master association meetings; records.--23 24 (1) Meetings of a master association board at which a 25 quorum of board members are present are open to the members of the master association and affected owners. Meetings between 26 27 the board or a committee and the master association attorney with respect to proposed or pending litigation, or board or 28 29 committee meetings pertaining to legal advice, are not open to 30 the membership of the master association, and notice to the 31 membership is not required.

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1 (a) Adequate meeting notice in the manner provided in 2 s. 718.112(2)(c) shall be given to affected owners, and the 3 affected owners are entitled to the rights provided in s. 4 718.112(2)(c). (b) The right to attend such meetings includes the 5 6 right to speak with reference to all designated agenda items. 7 The master association may adopt written reasonable rules governing the frequency, duration, and manner of unit owner 8 9 statements. 10 (2) Subsection 718.111(12) applies to master associations, except that references to unit owners contained 11 12 in that subsection apply to members and affected owners, and references to condominium documents therein refer to the 13 master association documents. 14 15 Section 15. Section 718.703, Florida Statutes, is 16 created to read: 17 718.703 Powers of Division of Florida Land Sales, 18 Condominiums, and Mobile Homes over master associations.--On demand by the division, any condominium association must 19 notify the division of any master association with which it is 20 21 associated which is pertinent to any inquiry or investigation regarding the rights of individual unit owners, and must 22 provide copies of documents that establish and govern the 23 24 relationship between the association and the master 25 association. 26 Section 16. Section 718.704, Florida Statutes, is 27 created to read: 718.704 Financial reporting.--28 (1) If total annual revenue of a master association is 29 30 \$100,000 or less, the association shall obtain from the master 31 association for inclusion in the association's records a 3 12:56 PM 03/05/02 s0694c2c-33k0a Bill No. CS for CS for SB 694

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complete cash basis financial report of actual receipts and 1 2 expenditures for the prior fiscal year. 3 (2) If total annual revenue of a master association 4 exceeds \$100,000, the association shall prepare a complete set of financial statements in accordance with generally accepted 5 6 accounting principles as follows: 7 (a) If total annual revenue of the master association exceeds \$100,000 but is less than \$200,000, the association 8 shall obtain from the master association for inclusion in the 9 10 association's records compiled financial statements. 11 (b) If total annual revenue of the master association 12 exceeds \$200,000 but is less than \$400,000, the association 13 shall obtain from the master association for inclusion in the association's records reviewed financial statements. 14 15 (c) If total annual revenue of the master association exceeds \$400,000, the association shall obtain from the master 16 17 association for inclusion in the association's records audited 18 financial statements. 19 (3) Master associations may exceed these reporting 20 requirements. (4) The association shall obtain the financial reports 21 or statements within 90 days following the end of the fiscal 22 year to which the reports or statements relate. The 23 condominium association shall make the reports or statements 24 25 available to condominium unit owners in the manner and form required under its governing documents, but no later than 14 26 27 days after receipt. (5) This section does not limit public records or 28 29 disclosure requirements that are required of a master 30 association or association under their governing documents or under any other provision of law; however, the financial 31 4 12:56 PM 03/05/02 s0694c2c-33k0a Bill No. <u>CS for CS for SB 694</u>

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reporting requirements of this section satisfy the financial reporting requirements of s. 720.303(7). (Redesignate subsequent sections.) And the title is amended as follows: On page 2, line 4, after the semicolon insert: creating s. 718.701, F.S.; providing definitions; creating s. 718.702, F.S.; providing for master association meetings; requiring certain notices; establishing meeting rules; creating s. 718.703, F.S.; providing powers of the Division of Florida Land Sales, Condominiums, and Mobile Homes over master associations; creating s. 718.704, F.S.; requiring master associations to provide certain financial records or statements;

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