

1                   A bill to be entitled  
2           An act relating to community associations; creating s.  
3           627.714, F.S.; requiring that coverage under a unit  
4           owner's policy for certain assessments include at least a  
5           minimum amount of loss assessment coverage; requiring that  
6           every property insurance policy to an individual unit  
7           owner contain a specified provision; amending s. 633.0215,  
8           F.S.; providing an exemption for certain condominiums from  
9           installing a manual fire alarm system as required in the  
10          Life Safety Code if certain conditions are met; amending  
11          s. 718.103, F.S.; revising the definition of the term  
12          "developer" to exclude a bulk assignee or bulk buyer;  
13          amending s. 718.111, F.S.; requiring that adequate  
14          property insurance be based upon the replacement cost of  
15          the property to be insured as determined by an independent  
16          appraisal or update of a prior appraisal; requiring that  
17          such replacement cost be determined at least once within a  
18          specified period; providing means by which an association  
19          may provide adequate property insurance; prohibiting such  
20          coverage or program from existing beyond a specified date;  
21          authorizing an association to consider deductibles when  
22          determining an adequate amount of property insurance;  
23          providing that failure to maintain adequate property  
24          insurance constitutes a breach of fiduciary duty by the  
25          members of the board of directors of an association;  
26          revising the procedures for the board to establish the  
27          amount of deductibles; requiring that an association  
28          controlled by unit owners operating as a residential

29 | condominium use its best efforts to obtain and maintain  
30 | adequate property insurance to protect the association and  
31 | certain property; requiring that every property insurance  
32 | policy issued or renewed on or after a specified date  
33 | provide certain coverage; excluding certain items from  
34 | such requirement; providing that excluded items and any  
35 | insurance thereupon are the responsibility of the unit  
36 | owner; requiring that condominium unit owners' policies  
37 | conform to certain provisions of state law; deleting  
38 | provisions relating to certain hazard and casualty  
39 | insurance policies; conforming provisions to changes made  
40 | by the act; amending s. 718.112, F.S.; conforming cross-  
41 | references; revising requirements for the reappointment of  
42 | certain board members; revising board eligibility  
43 | requirements; revising notice requirements for board  
44 | candidates; establishing requirements for newly elected  
45 | board members; deleting a provision prohibiting an  
46 | association from foregoing the retrofitting with a fire  
47 | sprinkler system of common areas in a high-rise building;  
48 | prohibiting local authorities having jurisdiction from  
49 | requiring retrofitting with a sprinkler system or other  
50 | engineered lifesafety system before a specified date;  
51 | providing requirements for a special meeting of unit  
52 | owners that may be called every 3 years in order to vote  
53 | to forgo retrofitting of the sprinkler system or other  
54 | engineered lifesafety system; providing meeting notice  
55 | requirements; providing that certain directors and  
56 | officers delinquent in the payment of any fee, fine, or

57 regular or special assessments shall be deemed to have  
58 abandoned their office; amending s. 718.115, F.S.;  
59 requiring that certain services obtained pursuant to a  
60 bulk contract as provided in the declaration be deemed a  
61 common expense; amending s. 718.301, F.S.; revising  
62 conditions under which unit owners other than the  
63 developer may elect not less than a majority of the  
64 members of the board of administration of an association;  
65 creating part VII of ch. 718, F.S., relating to distressed  
66 condominium relief; providing a short title; providing  
67 legislative findings and intent; defining the terms "bulk  
68 assignee" and "bulk buyer"; providing for the assignment  
69 of developer rights to and the assumption of developer  
70 rights by a bulk assignee; specifying liabilities of bulk  
71 assignees and bulk buyers; providing exceptions; providing  
72 additional responsibilities of bulk assignees and bulk  
73 buyers; authorizing certain entities to assign developer  
74 rights to a bulk assignee; limiting the number of bulk  
75 assignees at any given time; providing for the transfer of  
76 control of a board of administration; providing effects of  
77 such transfer on parcels acquired by a bulk assignee;  
78 providing obligations of a bulk assignee upon the transfer  
79 of control of a board of administration; requiring that a  
80 bulk assignee certify certain information in writing;  
81 providing for the resolution of a conflict between  
82 specified provisions of state law; providing that the  
83 failure of a bulk assignee or bulk buyer to comply with  
84 specified provisions of state law results in the loss of

85 | certain protections and exemptions; requiring that a bulk  
86 | assignee or bulk buyer file certain information with the  
87 | Division of Florida Condominiums, Timeshares, and Mobile  
88 | Homes of the Department of Business and Professional  
89 | Regulation before offering any units for sale or lease in  
90 | excess of a specified term; requiring that a copy of such  
91 | information be provided to a prospective purchaser;  
92 | requiring that certain contracts and disclosure statements  
93 | contain specified statements; requiring that a bulk  
94 | assignee or bulk buyer comply with certain disclosure  
95 | requirements; prohibiting a bulk assignee from taking  
96 | certain actions on behalf of an association while the bulk  
97 | assignee is in control of the board of administration of  
98 | the association and requiring that such bulk assignee  
99 | comply with certain requirements; requiring that a bulk  
100 | assignee or bulk buyer comply with certain requirements  
101 | regarding certain contracts; providing unit owners with  
102 | specified protections regarding certain contracts;  
103 | requiring that a bulk buyer comply with certain  
104 | requirements regarding the transfer of a unit; prohibiting  
105 | a person from being classified as a bulk assignee or bulk  
106 | buyer unless condominium parcels were acquired before a  
107 | specified date; providing for the determination of the  
108 | date of acquisition of a parcel; providing that the  
109 | assignment of developer rights to a bulk assignee or bulk  
110 | buyer does not release a developer from certain  
111 | liabilities; preserving certain liabilities for certain  
112 | parties; amending s. 719.1055, F.S.; providing an

113 additional required provision in cooperative bylaws;  
 114 deleting a provision prohibiting an association from  
 115 foregoing the retrofitting with a fire sprinkler system of  
 116 common areas in a high-rise building; prohibiting local  
 117 authorities having jurisdiction from requiring  
 118 retrofitting with a sprinkler system or other engineered  
 119 lifesafety system before a specified date; providing  
 120 requirements for a special meeting of unit owners that may  
 121 be called every 3 years in order to vote to require  
 122 retrofitting of the sprinkler system or other engineered  
 123 lifesafety system; providing meeting notice requirements;  
 124 repealing s. 553.509(2), F.S., relating to the requirement  
 125 that certain residential family dwellings have at least  
 126 one public elevator that is capable of operating on an  
 127 alternate power source for emergency purposes; providing  
 128 an effective date.

129  
 130 Be It Enacted by the Legislature of the State of Florida:

131  
 132 Section 1. Section 627.714, Florida Statutes, is created  
 133 to read:

134 627.714 Residential condominium unit owner coverage; loss  
 135 assessment coverage required; excess coverage provision  
 136 required.—For policies issued or renewed on or after July 1,  
 137 2010, coverage under a unit owner's residential property policy  
 138 shall include property loss assessment coverage of at least  
 139 \$2,000 for all assessments made as a result of the same direct  
 140 loss to the property, regardless of the number of assessments,

141 owned by all members of the association collectively when such  
 142 loss is of the type of loss covered by the unit owner's  
 143 residential property insurance policy, to which a deductible  
 144 shall apply of no more than \$250 per direct property loss. If a  
 145 deductible was or will be applied to other property loss  
 146 sustained by the unit owner resulting from the same direct loss  
 147 to the property, no deductible shall apply to the loss  
 148 assessment coverage. Every individual unit owner's residential  
 149 property policy must contain a provision stating that the  
 150 coverage afforded by such policy is excess coverage over the  
 151 amount recoverable under any other policy covering the same  
 152 property.

153 Section 2. Subsection (13) is added to section 633.0215,  
 154 Florida Statutes, to read:

155 633.0215 Florida Fire Prevention Code.—

156 (13) A condominium that is less than three stories in  
 157 height and has an exterior means of egress corridor is exempt  
 158 from installing a manual fire alarm system as required in s. 9.6  
 159 of the most recent edition of the Life Safety Code adopted in  
 160 the Florida Fire Prevention Code, or as same may be amended or  
 161 renumbered.

162 Section 3. Subsection (16) of section 718.103, Florida  
 163 Statutes, is amended to read:

164 718.103 Definitions.—As used in this chapter, the term:

165 (16) "Developer" means a person who creates a condominium  
 166 or offers condominium parcels for sale or lease in the ordinary  
 167 course of business, but does not include:

168 (a) An owner or lessee of a condominium or cooperative

169 unit who has acquired the unit for his or her own occupancy;;  
 170 ~~nor does it include~~

171 (b) A cooperative association which creates a condominium  
 172 by conversion of an existing residential cooperative after  
 173 control of the association has been transferred to the unit  
 174 owners if, following the conversion, the unit owners will be the  
 175 same persons who were unit owners of the cooperative and no  
 176 units are offered for sale or lease to the public as part of the  
 177 plan of conversion;;

178 (c) A bulk assignee or bulk buyer as defined in s.  
 179 718.703; or

180 (d) A state, county, or municipal entity ~~is not a~~  
 181 ~~developer for any purposes under this act when it is~~ acting as a  
 182 lessor and not otherwise named as a developer in the declaration  
 183 of condominium association.

184 Section 4. Paragraphs (a), (b), (c), (d), (f), (g), (j),  
 185 and (n) of subsection (11) of section 718.111, Florida Statutes,  
 186 are amended to read:

187 718.111 The association.—

188 (11) INSURANCE.—In order to protect the safety, health,  
 189 and welfare of the people of the State of Florida and to ensure  
 190 consistency in the provision of insurance coverage to  
 191 condominiums and their unit owners, this subsection applies to  
 192 every residential condominium in the state, regardless of the  
 193 date of its declaration of condominium. It is the intent of the  
 194 Legislature to encourage lower or stable insurance premiums for  
 195 associations described in this subsection.

196 (a) Adequate property hazard ~~hazard~~ insurance, regardless of any

197 requirement in the declaration of condominium for coverage by  
 198 the association for full insurable value, replacement cost, or  
 199 similar coverage, shall be based upon the replacement cost of  
 200 the property to be insured as determined by an independent  
 201 insurance appraisal or update of a prior appraisal. The  
 202 replacement cost ~~full insurable value~~ shall be determined at  
 203 least once every 36 months.

204 1. An association or group of associations may provide  
 205 adequate property ~~hazard~~ insurance through a self-insurance fund  
 206 that complies with the requirements of ss. 624.460-624.488.

207 2. The association may also provide adequate property  
 208 ~~hazard~~ insurance coverage for a group of no fewer than three  
 209 communities created and operating under this chapter, chapter  
 210 719, chapter 720, or chapter 721 by obtaining and maintaining  
 211 for such communities insurance coverage sufficient to cover an  
 212 amount equal to the probable maximum loss for the communities  
 213 for a 250-year windstorm event. Such probable maximum loss must  
 214 be determined through the use of a competent model that has been  
 215 accepted by the Florida Commission on Hurricane Loss Projection  
 216 Methodology. No policy or program providing such coverage shall  
 217 be issued or renewed after July 1, 2008, unless it has been  
 218 reviewed and approved by the Office of Insurance Regulation. The  
 219 review and approval shall include approval of the policy and  
 220 related forms pursuant to ss. 627.410 and 627.411, approval of  
 221 the rates pursuant to s. 627.062, a determination that the loss  
 222 model approved by the commission was accurately and  
 223 appropriately applied to the insured structures to determine the  
 224 250-year probable maximum loss, and a determination that

225 complete and accurate disclosure of all material provisions is  
 226 provided to condominium unit owners prior to execution of the  
 227 agreement by a condominium association.

228 3. When determining the adequate amount of property hazard ~~hazard~~  
 229 insurance coverage, the association may consider deductibles as  
 230 determined by this subsection.

231 (b) If an association is a developer-controlled  
 232 association, the association shall exercise its best efforts to  
 233 obtain and maintain insurance as described in paragraph (a).  
 234 Failure to obtain and maintain adequate property hazard ~~hazard~~  
 235 insurance during any period of developer control constitutes a  
 236 breach of fiduciary responsibility by the developer-appointed  
 237 members of the board of directors of the association, unless the  
 238 members can show that despite such failure, they have made their  
 239 best efforts to maintain the required coverage.

240 (c) Policies may include deductibles as determined by the  
 241 board.

242 1. The deductibles shall be consistent with industry  
 243 standards and prevailing practice for communities of similar  
 244 size and age, and having similar construction and facilities in  
 245 the locale where the condominium property is situated.

246 2. The deductibles may be based upon available funds,  
 247 including reserve accounts, or predetermined assessment  
 248 authority at the time the insurance is obtained.

249 3. The board shall establish the amount of deductibles  
 250 based upon the level of available funds and predetermined  
 251 assessment authority at a meeting of the board. ~~Such meeting~~  
 252 ~~shall be open to all unit owners~~ in the manner set forth in s.

253 | 718.112(2)(e). ~~The notice of such meeting must state the~~  
 254 | ~~proposed deductible and the available funds and the assessment~~  
 255 | ~~authority relied upon by the board and estimate any potential~~  
 256 | ~~assessment amount against each unit, if any. The meeting~~  
 257 | ~~described in this paragraph may be held in conjunction with a~~  
 258 | ~~meeting to consider the proposed budget or an amendment thereto.~~

259 | (d) An association controlled by unit owners operating as  
 260 | a residential condominium shall use its best efforts to obtain  
 261 | and maintain adequate property insurance to protect the  
 262 | association, the association property, the common elements, and  
 263 | the condominium property that is required to be insured by the  
 264 | association pursuant to this subsection.

265 | (f) Every property hazard insurance policy issued or  
 266 | renewed on or after January 1, 2009, for the purpose of  
 267 | protecting the condominium shall provide primary coverage for:

268 | 1. All portions of the condominium property as originally  
 269 | installed or replacement of like kind and quality, in accordance  
 270 | with the original plans and specifications.

271 | 2. All alterations or additions made to the condominium  
 272 | property or association property pursuant to s. 718.113(2).

273 | 3. The coverage shall exclude all personal property within  
 274 | the unit or limited common elements, and floor, wall, and  
 275 | ceiling coverings, electrical fixtures, appliances, water  
 276 | heaters, water filters, built-in cabinets and countertops, and  
 277 | window treatments, including curtains, drapes, blinds, hardware,  
 278 | and similar window treatment components, or replacements of any  
 279 | of the foregoing which are located within the boundaries of the  
 280 | unit and serve only such unit. Such property and any insurance

281 thereupon shall be the responsibility of the unit owner.

282 (g) A condominium unit owner's policy shall conform to the  
283 requirements of s. 627.714. Every hazard insurance policy issued  
284 or renewed on or after January 1, 2009, to an individual unit  
285 owner must contain a provision stating that the coverage  
286 afforded by such policy is excess coverage over the amount  
287 recoverable under any other policy covering the same property.  
288 Such policies must include special assessment coverage of no  
289 less than \$2,000 per occurrence. An insurance policy issued to  
290 an individual unit owner providing such coverage does not  
291 provide rights of subrogation against the condominium  
292 association operating the condominium in which such individual's  
293 unit is located.

294 1. ~~All improvements or additions to the condominium~~  
295 ~~property that benefit fewer than all unit owners shall be~~  
296 ~~insured by the unit owner or owners having the use thereof, or~~  
297 ~~may be insured by the association at the cost and expense of the~~  
298 ~~unit owners having the use thereof.~~

299 2. ~~The association shall require each owner to provide~~  
300 ~~evidence of a currently effective policy of hazard and liability~~  
301 ~~insurance upon request, but not more than once per year. Upon~~  
302 ~~the failure of an owner to provide a certificate of insurance~~  
303 ~~issued by an insurer approved to write such insurance in this~~  
304 ~~state within 30 days after the date on which a written request~~  
305 ~~is delivered, the association may purchase a policy of insurance~~  
306 ~~on behalf of an owner. The cost of such a policy, together with~~  
307 ~~reconstruction costs undertaken by the association but which are~~  
308 ~~the responsibility of the unit owner, may be collected in the~~

309 ~~manner provided for the collection of assessments in s. 718.116.~~

310 ~~1.3.~~ All reconstruction work after a property ~~casualty~~  
311 loss shall be undertaken by the association except as otherwise  
312 authorized in this section. A unit owner may undertake  
313 reconstruction work on portions of the unit with the prior  
314 written consent of the board of administration. However, such  
315 work may be conditioned upon the approval of the repair methods,  
316 the qualifications of the proposed contractor, or the contract  
317 that is used for that purpose. A unit owner shall obtain all  
318 required governmental permits and approvals prior to commencing  
319 reconstruction.

320 ~~2.4.~~ Unit owners are responsible for the cost of  
321 reconstruction of any portions of the condominium property for  
322 which the unit owner is required to carry property ~~casualty~~  
323 insurance, and any such reconstruction work undertaken by the  
324 association shall be chargeable to the unit owner and  
325 enforceable as an assessment pursuant to s. 718.116. ~~The~~  
326 ~~association must be an additional named insured and loss payee~~  
327 ~~on all casualty insurance policies issued to unit owners in the~~  
328 ~~condominium operated by the association.~~

329 ~~3.5.~~ A multicondominium association may elect, by a  
330 majority vote of the collective members of the condominiums  
331 operated by the association, to operate such condominiums as a  
332 single condominium for purposes of insurance matters, including,  
333 but not limited to, the purchase of the property ~~hazard~~  
334 insurance required by this section and the apportionment of  
335 deductibles and damages in excess of coverage. The election to  
336 aggregate the treatment of insurance premiums, deductibles, and

337 excess damages constitutes an amendment to the declaration of  
 338 all condominiums operated by the association, and the costs of  
 339 insurance shall be stated in the association budget. The  
 340 amendments shall be recorded as required by s. 718.110.

341 (j) Any portion of the condominium property required to be  
 342 insured by the association against property ~~casualty~~ loss  
 343 pursuant to paragraph (f) which is damaged ~~by casualty~~ shall be  
 344 reconstructed, repaired, or replaced as necessary by the  
 345 association as a common expense. All property ~~hazard~~ insurance  
 346 deductibles, uninsured losses, and other damages in excess of  
 347 property ~~hazard~~ insurance coverage under the property ~~hazard~~  
 348 insurance policies maintained by the association are a common  
 349 expense of the condominium, except that:

350 1. A unit owner is responsible for the costs of repair or  
 351 replacement of any portion of the condominium property not paid  
 352 by insurance proceeds, if such damage is caused by intentional  
 353 conduct, negligence, or failure to comply with the terms of the  
 354 declaration or the rules of the association by a unit owner, the  
 355 members of his or her family, unit occupants, tenants, guests,  
 356 or invitees, without compromise of the subrogation rights of any  
 357 insurer ~~as set forth in paragraph (g)~~.

358 2. The provisions of subparagraph 1. regarding the  
 359 financial responsibility of a unit owner for the costs of  
 360 repairing or replacing other portions of the condominium  
 361 property also apply to the costs of repair or replacement of  
 362 personal property of other unit owners or the association, as  
 363 well as other property, whether real or personal, which the unit  
 364 owners are required to insure ~~under paragraph (g)~~.

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365 3. To the extent the cost of repair or reconstruction for  
366 which the unit owner is responsible under this paragraph is  
367 reimbursed to the association by insurance proceeds, and, to the  
368 extent the association has collected the cost of such repair or  
369 reconstruction from the unit owner, the association shall  
370 reimburse the unit owner without the waiver of any rights of  
371 subrogation.

372 4. The association is not obligated to pay for  
373 reconstruction or repairs of property ~~casualty~~ losses as a  
374 common expense if the property ~~casualty~~ losses were known or  
375 should have been known to a unit owner and were not reported to  
376 the association until after the insurance claim of the  
377 association for that property ~~casualty~~ was settled or resolved  
378 with finality, or denied on the basis that it was untimely  
379 filed.

380 (n) The association is not obligated to pay for any  
381 reconstruction or repair expenses due to property ~~casualty~~ loss  
382 to any improvements installed by a current or former owner of  
383 the unit or by the developer if the improvement benefits only  
384 the unit for which it was installed and is not part of the  
385 standard improvements installed by the developer on all units as  
386 part of original construction, whether or not such improvement  
387 is located within the unit. This paragraph does not relieve any  
388 party of its obligations regarding recovery due under any  
389 insurance implemented specifically for any such improvements.

390 Section 5. Paragraphs (b), (d), (l), and (n) of subsection  
391 (2) of section 718.112, Florida Statutes, are amended to read:

392 718.112 Bylaws.—

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

396 (b) Quorum; voting requirements; proxies.—

397 1. Unless a lower number is provided in the bylaws, the  
398 percentage of voting interests required to constitute a quorum  
399 at a meeting of the members shall be a majority of the voting  
400 interests. Unless otherwise provided in this chapter or in the  
401 declaration, articles of incorporation, or bylaws, and except as  
402 provided in sub-subparagraph ~~subparagraph~~ (d)3.a., decisions  
403 shall be made by owners of a majority of the voting interests  
404 represented at a meeting at which a quorum is present.

405 2. Except as specifically otherwise provided herein, after  
406 January 1, 1992, unit owners may not vote by general proxy, but  
407 may vote by limited proxies substantially conforming to a  
408 limited proxy form adopted by the division. No voting interest  
409 or consent right allocated to a unit owned by the association  
410 shall be exercised or considered for any purpose, whether for a  
411 quorum, an election, or otherwise. Limited proxies and general  
412 proxies may be used to establish a quorum. Limited proxies shall  
413 be used for votes taken to waive or reduce reserves in  
414 accordance with subparagraph (f)2.; for votes taken to waive the  
415 financial reporting requirements of s. 718.111(13); for votes  
416 taken to amend the declaration pursuant to s. 718.110; for votes  
417 taken to amend the articles of incorporation or bylaws pursuant  
418 to this section; and for any other matter for which this chapter  
419 requires or permits a vote of the unit owners. Except as  
420 provided in paragraph (d), after January 1, 1992, no proxy,

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421 limited or general, shall be used in the election of board  
422 members. General proxies may be used for other matters for which  
423 limited proxies are not required, and may also be used in voting  
424 for nonsubstantive changes to items for which a limited proxy is  
425 required and given. Notwithstanding the provisions of this  
426 subparagraph, unit owners may vote in person at unit owner  
427 meetings. Nothing contained herein shall limit the use of  
428 general proxies or require the use of limited proxies for any  
429 agenda item or election at any meeting of a timeshare  
430 condominium association.

431 3. Any proxy given shall be effective only for the  
432 specific meeting for which originally given and any lawfully  
433 adjourned meetings thereof. In no event shall any proxy be valid  
434 for a period longer than 90 days after the date of the first  
435 meeting for which it was given. Every proxy is revocable at any  
436 time at the pleasure of the unit owner executing it.

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

443 5. When any of the board or committee members meet by  
444 telephone conference, those board or committee members attending  
445 by telephone conference may be counted toward obtaining a quorum  
446 and may vote by telephone. A telephone speaker must be used so  
447 that the conversation of those board or committee members  
448 attending by telephone may be heard by the board or committee

449 members attending in person as well as by any unit owners  
 450 present at a meeting.

451 (d) Unit owner meetings.—

452 1. There shall be an annual meeting of the unit owners  
 453 held at the location provided in the association bylaws and, if  
 454 the bylaws are silent as to the location, the meeting shall be  
 455 held within 45 miles of the condominium property. However, such  
 456 distance requirement does not apply to an association governing  
 457 a timeshare condominium. Unless the bylaws provide otherwise, a  
 458 vacancy on the board caused by the expiration of a director's  
 459 term shall be filled by electing a new board member, and the  
 460 election shall be by secret ballot; however, if the number of  
 461 vacancies equals ~~or exceeds~~ the number of candidates, no  
 462 election is required. Except in a timeshare condominium, the  
 463 terms of all members of the board shall expire at the annual  
 464 meeting and such board members may stand for reelection unless  
 465 otherwise permitted by the bylaws. In the event that the  
 466 governing documents ~~bylaws~~ permit staggered terms of no more  
 467 than 2 years and upon approval of a majority of the total voting  
 468 interests, the association board members may serve 2-year  
 469 staggered terms. If the number ~~no person is interested in or~~  
 470 ~~demonstrates an intention to run for the position of a board~~  
 471 ~~members~~ member whose terms have ~~term has~~ expired according to  
 472 the provisions of this subparagraph exceeds the number of  
 473 eligible members showing interest in or demonstrating an  
 474 intention to run for the vacant positions, each ~~such~~ board  
 475 member whose term has expired shall become eligible for  
 476 reappointment ~~be automatically reappointed~~ to the board of

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477 administration and need not stand for reelection. In a  
478 condominium association of more than 10 units or in a  
479 condominium association that does not include timeshare units,  
480 coowners of a unit may not serve as members of the board of  
481 directors at the same time unless they own more than one unit  
482 and are not co-occupants of a unit. Any unit owner desiring to  
483 be a candidate for board membership must ~~shall~~ comply with sub-  
484 subparagraph ~~subparagraph~~ 3.a. A person who has been suspended  
485 or removed by the division under this chapter, or who is  
486 delinquent in the payment of any fee, fine, or special or  
487 regular assessment as provided in paragraph (n), is not eligible  
488 for board membership. A person who has been convicted of any  
489 felony in this state or in a United States District or  
490 Territorial Court, or who has been convicted of any offense in  
491 another jurisdiction that would be considered a felony if  
492 committed in this state, is not eligible for board membership  
493 unless such felon's civil rights have been restored for a period  
494 of no less than 5 years as of the date on which such person  
495 seeks election to the board. The validity of an action by the  
496 board is not affected if it is later determined that a member of  
497 the board is ineligible for board membership due to having been  
498 convicted of a felony.

499 2. The bylaws shall provide the method of calling meetings  
500 of unit owners, including annual meetings. Written notice, which  
501 notice must include an agenda, shall be mailed, hand delivered,  
502 or electronically transmitted to each unit owner at least 14  
503 days prior to the annual meeting and shall be posted in a  
504 conspicuous place on the condominium property at least 14

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505 continuous days preceding the annual meeting. Upon notice to the  
506 unit owners, the board shall by duly adopted rule designate a  
507 specific location on the condominium property or association  
508 property upon which all notices of unit owner meetings shall be  
509 posted; however, if there is no condominium property or  
510 association property upon which notices can be posted, this  
511 requirement does not apply. In lieu of or in addition to the  
512 physical posting of notice of any meeting of the unit owners on  
513 the condominium property, the association may, by reasonable  
514 rule, adopt a procedure for conspicuously posting and repeatedly  
515 broadcasting the notice and the agenda on a closed-circuit cable  
516 television system serving the condominium association. However,  
517 if broadcast notice is used in lieu of a notice posted  
518 physically on the condominium property, the notice and agenda  
519 must be broadcast at least four times every broadcast hour of  
520 each day that a posted notice is otherwise required under this  
521 section. When broadcast notice is provided, the notice and  
522 agenda must be broadcast in a manner and for a sufficient  
523 continuous length of time so as to allow an average reader to  
524 observe the notice and read and comprehend the entire content of  
525 the notice and the agenda. Unless a unit owner waives in writing  
526 the right to receive notice of the annual meeting, such notice  
527 shall be hand delivered, mailed, or electronically transmitted  
528 to each unit owner. Notice for meetings and notice for all other  
529 purposes shall be mailed to each unit owner at the address last  
530 furnished to the association by the unit owner, or hand  
531 delivered to each unit owner. However, if a unit is owned by  
532 more than one person, the association shall provide notice, for

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533 meetings and all other purposes, to that one address which the  
534 developer initially identifies for that purpose and thereafter  
535 as one or more of the owners of the unit shall so advise the  
536 association in writing, or if no address is given or the owners  
537 of the unit do not agree, to the address provided on the deed of  
538 record. An officer of the association, or the manager or other  
539 person providing notice of the association meeting, shall  
540 provide an affidavit or United States Postal Service certificate  
541 of mailing, to be included in the official records of the  
542 association affirming that the notice was mailed or hand  
543 delivered, in accordance with this provision.

544       3.a. The members of the board shall be elected by written  
545 ballot or voting machine. Proxies shall in no event be used in  
546 electing the board, either in general elections or elections to  
547 fill vacancies caused by recall, resignation, or otherwise,  
548 unless otherwise provided in this chapter. Not less than 60 days  
549 before a scheduled election, the association shall mail,  
550 deliver, or electronically transmit, whether by separate  
551 association mailing or included in another association mailing,  
552 delivery, or transmission, including regularly published  
553 newsletters, to each unit owner entitled to a vote, a first  
554 notice of the date of the election ~~along with a certification~~  
555 ~~form provided by the division attesting that he or she has read~~  
556 ~~and understands, to the best of his or her ability, the~~  
557 ~~governing documents of the association and the provisions of~~  
558 ~~this chapter and any applicable rules.~~ Any unit owner or other  
559 eligible person desiring to be a candidate for the board must  
560 give written notice of intent to be a candidate to the

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561 association not less than 40 days before a scheduled election.  
562 Together with the written notice and agenda as set forth in  
563 subparagraph 2., the association shall mail, deliver, or  
564 electronically transmit a second notice of the election to all  
565 unit owners entitled to vote therein, together with a ballot  
566 which shall list all candidates. Upon request of a candidate,  
567 ~~the association shall include~~ an information sheet, no larger  
568 than 8 1/2 inches by 11 inches, which must be furnished by the  
569 candidate not less than 35 days before the election, shall ~~along~~  
570 ~~with the signed certification form provided for in this~~  
571 ~~subparagraph,~~ to be included with the mailing, delivery, or  
572 transmission of the ballot, with the costs of mailing, delivery,  
573 or electronic transmission and copying to be borne by the  
574 association. The association is not liable for the contents of  
575 the information sheets prepared by the candidates. In order to  
576 reduce costs, the association may print or duplicate the  
577 information sheets on both sides of the paper. The division  
578 shall by rule establish voting procedures consistent with the  
579 provisions contained herein, including rules establishing  
580 procedures for giving notice by electronic transmission and  
581 rules providing for the secrecy of ballots. Elections shall be  
582 decided by a plurality of those ballots cast. There shall be no  
583 quorum requirement; however, at least 20 percent of the eligible  
584 voters must cast a ballot in order to have a valid election of  
585 members of the board. No unit owner shall permit any other  
586 person to vote his or her ballot, and any such ballots  
587 improperly cast shall be deemed invalid, provided any unit owner  
588 who violates this provision may be fined by the association in

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589 accordance with s. 718.303. A unit owner who needs assistance in  
590 casting the ballot for the reasons stated in s. 101.051 may  
591 obtain assistance in casting the ballot. The regular election  
592 shall occur on the date of the annual meeting. The provisions of  
593 this sub-subparagraph ~~subparagraph~~ shall not apply to timeshare  
594 condominium associations. Notwithstanding the provisions of this  
595 sub-subparagraph ~~subparagraph~~, an election is not required  
596 unless more candidates file notices of intent to run or are  
597 nominated than board vacancies exist.

598 b. Within 90 days after being elected to the board, each  
599 newly elected director shall certify in writing to the secretary  
600 of the association that he or she has read the association's  
601 declarations of covenants and restrictions, articles of  
602 incorporation, bylaws, and current written policies; that he or  
603 she will work to uphold such documents and policies to the best  
604 of his or her ability; and that he or she will faithfully  
605 discharge his or her fiduciary responsibility to the  
606 association's members. In lieu of this written certification,  
607 the newly elected director may submit a certificate of  
608 satisfactory completion of the educational curriculum  
609 administered by a division-approved condominium education  
610 provider. Failure to timely file the written certification or  
611 educational certificate automatically disqualifies the director  
612 from service on the board. Notwithstanding the foregoing, a  
613 director shall not be automatically removed from the board if  
614 the director's failure to provide the completed education  
615 certificate results from a failure of the education provider to  
616 timely provide it. The secretary shall cause the association to

617 retain a director's written certification or educational  
618 certificate for inspection by the members for 5 years after a  
619 director's election. Failure to have such written certification  
620 or educational certificate on file does not affect the validity  
621 of any appropriate action.

622 4. Any approval by unit owners called for by this chapter  
623 or the applicable declaration or bylaws, including, but not  
624 limited to, the approval requirement in s. 718.111(8), shall be  
625 made at a duly noticed meeting of unit owners and shall be  
626 subject to all requirements of this chapter or the applicable  
627 condominium documents relating to unit owner decisionmaking,  
628 except that unit owners may take action by written agreement,  
629 without meetings, on matters for which action by written  
630 agreement without meetings is expressly allowed by the  
631 applicable bylaws or declaration or any statute that provides  
632 for such action.

633 5. Unit owners may waive notice of specific meetings if  
634 allowed by the applicable bylaws or declaration or any statute.  
635 If authorized by the bylaws, notice of meetings of the board of  
636 administration, unit owner meetings, except unit owner meetings  
637 called to recall board members under paragraph (j), and  
638 committee meetings may be given by electronic transmission to  
639 unit owners who consent to receive notice by electronic  
640 transmission.

641 6. Unit owners shall have the right to participate in  
642 meetings of unit owners with reference to all designated agenda  
643 items. However, the association may adopt reasonable rules  
644 governing the frequency, duration, and manner of unit owner

645 participation.

646 7. Any unit owner may tape record or videotape a meeting  
647 of the unit owners subject to reasonable rules adopted by the  
648 division.

649 8. Unless otherwise provided in the bylaws, any vacancy  
650 occurring on the board before the expiration of a term may be  
651 filled by the affirmative vote of the majority of the remaining  
652 directors, even if the remaining directors constitute less than  
653 a quorum, or by the sole remaining director. In the alternative,  
654 a board may hold an election to fill the vacancy, in which case  
655 the election procedures must conform to the requirements of sub-  
656 subparagraph ~~subparagraph~~ 3.a. unless the association governs 10  
657 units or fewer ~~less~~ and has opted out of the statutory election  
658 process, in which case the bylaws of the association control.  
659 Unless otherwise provided in the bylaws, a board member  
660 appointed or elected under this section shall fill the vacancy  
661 for the unexpired term of the seat being filled. Filling  
662 vacancies created by recall is governed by paragraph (j) and  
663 rules adopted by the division.

664  
665 Notwithstanding subparagraph ~~subparagraphs~~ (b)2. and sub-  
666 subparagraph (d)3.a., an association of 10 or fewer units may,  
667 by the affirmative vote of a majority of the total voting  
668 interests, provide for different voting and election procedures  
669 in its bylaws, which vote may be by a proxy specifically  
670 delineating the different voting and election procedures. The  
671 different voting and election procedures may provide for  
672 elections to be conducted by limited or general proxy.

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673 (1) Certificate of compliance.—There shall be a provision  
674 that a certificate of compliance from a licensed electrical  
675 contractor or electrician may be accepted by the association's  
676 board as evidence of compliance of the condominium units with  
677 the applicable fire and life safety code. Notwithstanding the  
678 provisions of chapter 633 or of any other code, statute,  
679 ordinance, administrative rule, or regulation, or any  
680 interpretation of the foregoing, an association, condominium, or  
681 unit owner is not obligated to retrofit the common elements,  
682 common areas, association-owned property, or units of a  
683 residential condominium with a fire sprinkler system or any  
684 other form of engineered lifesafety system in a building that  
685 has been certified for occupancy by the applicable governmental  
686 entity, if the unit owners have voted to forego such  
687 retrofitting and engineered lifesafety system by the affirmative  
688 vote of two-thirds of all voting interests in the affected  
689 condominium. ~~However, a condominium association may not vote to~~  
690 ~~forego the retrofitting with a fire sprinkler system of common~~  
691 ~~areas in a high-rise building. For purposes of this subsection,~~  
692 ~~the term "high-rise building" means a building that is greater~~  
693 ~~than 75 feet in height where the building height is measured~~  
694 ~~from the lowest level of fire department access to the floor of~~  
695 ~~the highest occupiable story. For purposes of this subsection,~~  
696 ~~the term "common areas" means any enclosed hallway, corridor,~~  
697 ~~lobby, stairwell, or entryway. In no event shall the local~~  
698 authority having jurisdiction require completion of retrofitting  
699 ~~of common areas with a sprinkler system~~ or any other form of  
700 engineered lifesafety system before the end of 2019 ~~2014~~.

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701 1. A vote to forego retrofitting may be obtained by  
702 limited proxy or by a ballot personally cast at a duly called  
703 membership meeting, or by execution of a written consent by the  
704 member, and shall be effective upon the recording of a  
705 certificate attesting to such vote in the public records of the  
706 county where the condominium is located. The association shall  
707 mail or, ~~hand deliver, or electronically transmit~~ to each unit  
708 owner written notice at least 14 days prior to such membership  
709 meeting in which the vote to forego retrofitting of the required  
710 fire sprinkler system or any other form of engineered lifesafety  
711 system is to take place. Within 30 days after the association's  
712 opt-out vote, notice of the results of the opt-out vote shall be  
713 mailed or, ~~hand delivered, or electronically transmitted~~ to all  
714 unit owners. Evidence of compliance with this 30-day notice  
715 shall be made by an affidavit executed by the person providing  
716 the notice and filed among the official records of the  
717 association. After such notice is provided to each owner, a copy  
718 of such notice shall be provided by the current owner to a new  
719 owner prior to closing and shall be provided by a unit owner to  
720 a renter prior to signing a lease.

721 2. If there has been a previous vote approving the  
722 association to forego retrofitting, a vote to require  
723 retrofitting may be obtained at a special meeting of the unit  
724 owners called by a petition of least 10 percent of the voting  
725 interests. Such a vote may only be called for once every 3  
726 years. Notice shall be provided as required for any regularly  
727 called meeting of the unit owners, and the notice shall state  
728 the purpose of the meeting. Electronic transmission may not be

729 used as a method of giving notice of a meeting called in whole  
 730 or in part for this purpose.

731 ~~3.2-~~ As part of the information collected annually from  
 732 condominiums, the division shall require condominium  
 733 associations to report the membership vote and recording of a  
 734 certificate under this subsection and, if retrofitting has been  
 735 undertaken, the per-unit cost of such work. The division shall  
 736 annually report to the Division of State Fire Marshal of the  
 737 Department of Financial Services the number of condominiums that  
 738 have elected to forego retrofitting.

739 (n) Director or officer delinquencies.—A director or  
 740 officer more than 90 days delinquent in the payment of any fee,  
 741 fine, or regular or special assessments shall be deemed to have  
 742 abandoned the office, creating a vacancy in the office to be  
 743 filled according to law.

744 Section 6. Paragraph (d) of subsection (1) of section  
 745 718.115, Florida Statutes, is amended to read:

746 718.115 Common expenses and common surplus.—

747 (1)

748 (d) If the association is authorized pursuant to ~~se~~  
 749 ~~provided in~~ the declaration to enter into a bulk contract for  
 750 communications services as defined in chapter 202, information  
 751 services, or Internet services, the costs charged for such  
 752 ~~services, the cost of a master antenna television system or duly~~  
 753 ~~franchised cable television service obtained pursuant to a bulk~~  
 754 ~~contract~~ shall be deemed a common expense. If the declaration  
 755 does not authorize the association to enter into a bulk contract  
 756 for ~~provide for~~ the cost of communications services as defined

757 in chapter 202, information services, or Internet services a  
 758 ~~master antenna television system or duly franchised cable~~  
 759 ~~television service obtained under a bulk contract as a common~~  
 760 ~~expense,~~ the board may enter into such a contract for such  
 761 services., ~~and~~ The cost of the services under a bulk contract  
 762 ~~service~~ will be a common expense but allocated on a per-unit  
 763 basis rather than a percentage basis if the declaration provides  
 764 for other than an equal sharing of common expenses, and any  
 765 contract entered into before July 1, 1998, in which the cost of  
 766 the service is not equally divided among all unit owners, may be  
 767 changed by vote of a majority of the voting interests present at  
 768 a regular or special meeting of the association, to allocate the  
 769 cost equally among all units. The contract shall be for a term  
 770 of not less than 2 years.

771 1. Any contract made by the board after the effective date  
 772 hereof for communications services as defined in chapter 202,  
 773 information services, or Internet services ~~a community antenna~~  
 774 ~~system or duly franchised cable television service~~ may be  
 775 canceled by a majority of the voting interests present at the  
 776 next regular or special meeting of the association. Any member  
 777 may make a motion to cancel the ~~said~~ contract, but if no motion  
 778 is made or if such motion fails to obtain the required majority  
 779 at the next regular or special meeting, whichever occurs ~~is~~  
 780 sooner, following the making of the contract, ~~then~~ such contract  
 781 shall be deemed ratified for the term therein expressed. Any  
 782 contract made by the association prior to assumption of control  
 783 of the association by unit owners other than the developer may  
 784 be canceled within 120 days after unit owners other than the

785 developer elect a majority of the board of directors consistent  
 786 with the provisions of s. 718.302(1).

787         2. Any such contract shall provide, and shall be deemed to  
 788 provide if not expressly set forth, that any hearing-impaired or  
 789 legally blind unit owner who does not occupy the unit with a  
 790 non-hearing-impaired or sighted person, or any unit owner  
 791 receiving supplemental security income under Title XVI of the  
 792 Social Security Act or food stamps as administered by the  
 793 Department of Children and Family Services pursuant to s.  
 794 414.31, may discontinue the cable or video service without  
 795 incurring disconnect fees, penalties, or subsequent service  
 796 charges, and, as to such units, the owners shall not be required  
 797 to pay any common expenses charge related to such service. If  
 798 less than all members of an association share the expenses of  
 799 cable or video service ~~television~~, the expense shall be shared  
 800 equally by all participating unit owners. The association may  
 801 use the provisions of s. 718.116 to enforce payment of the  
 802 shares of such costs by the unit owners receiving cable or video  
 803 service ~~television~~.

804         Section 7. Subsection (1) of section 718.301, Florida  
 805 Statutes, is amended to read:

806         718.301 Transfer of association control; claims of defect  
 807 by association.—

808         (1) When unit owners other than the developer own 15  
 809 percent or more of the units in a condominium that will be  
 810 operated ultimately by an association, the unit owners other  
 811 than the developer shall be entitled to elect no less than one-  
 812 third of the members of the board of administration of the

813 association. Unit owners other than the developer are entitled  
 814 to elect not less than a majority of the members of the board of  
 815 administration of an association:

816 (a) Three years after 50 percent of the units that will be  
 817 operated ultimately by the association have been conveyed to  
 818 purchasers;

819 (b) Three months after 90 percent of the units that will  
 820 be operated ultimately by the association have been conveyed to  
 821 purchasers;

822 (c) When all the units that will be operated ultimately by  
 823 the association have been completed, some of them have been  
 824 conveyed to purchasers, and none of the others are being offered  
 825 for sale by the developer in the ordinary course of business;

826 (d) When some of the units have been conveyed to  
 827 purchasers and none of the others are being constructed or  
 828 offered for sale by the developer in the ordinary course of  
 829 business;

830 (e) When the developer files a petition seeking protection  
 831 in bankruptcy;

832 (f) When a receiver for the developer is appointed by a  
 833 circuit court and is not discharged within 30 days after such  
 834 appointment, unless the court determines within 30 days after  
 835 appointment of the receiver that transfer of control would be  
 836 detrimental to the association or its members; or

837 (g) Seven years after recordation of the declaration of  
 838 condominium; or, in the case of an association which may  
 839 ultimately operate more than one condominium, 7 years after  
 840 recordation of the declaration for the first condominium it

841 operates; or, in the case of an association operating a phase  
 842 condominium created pursuant to s. 718.403, 7 years after  
 843 recordation of the declaration creating the initial phase,  
 844  
 845 whichever occurs first. The developer is entitled to elect at  
 846 least one member of the board of administration of an  
 847 association as long as the developer holds for sale in the  
 848 ordinary course of business at least 5 percent, in condominiums  
 849 with fewer than 500 units, and 2 percent, in condominiums with  
 850 more than 500 units, of the units in a condominium operated by  
 851 the association. Following the time the developer relinquishes  
 852 control of the association, the developer may exercise the right  
 853 to vote any developer-owned units in the same manner as any  
 854 other unit owner except for purposes of reacquiring control of  
 855 the association or selecting the majority members of the board  
 856 of administration.

857 Section 8. Part VII of chapter 718, Florida Statutes,  
 858 consisting of sections 718.701, 718.702, 718.703, 718.704,  
 859 718.705, 718.706, 718.707, and 718.708, is created to read:

860 PART VII

861 DISTRESSED CONDOMINIUM RELIEF

862 718.701 Short title.—This part may be cited as the  
 863 "Distressed Condominium Relief Act."

864 718.702 Legislative intent.—

865 (1) The Legislature acknowledges the massive downturn in  
 866 the condominium market which has transpired throughout the state  
 867 and the impact of such downturn on developers, lenders, unit  
 868 owners, and condominium associations. Numerous condominium

869 projects have either failed or are in the process of failing,  
870 whereby the condominium has a small percentage of third-party  
871 unit owners as compared to the unsold inventory of units. As a  
872 result of the inability to find purchasers for this inventory of  
873 units, which results in part from the devaluing of real estate  
874 in this state, developers are unable to satisfy the requirements  
875 of their lenders, leading to defaults on mortgages.  
876 Consequently, lenders are faced with the task of finding a  
877 solution to the problem in order to be paid for their  
878 investments.

879 (2) The Legislature recognizes that all of the factors  
880 listed in this section lead to condominiums becoming distressed,  
881 resulting in detriment to the unit owners and the condominium  
882 association on account of the resulting shortage of assessment  
883 moneys available to support the financial requirements for  
884 proper maintenance of the condominium. Such shortage and the  
885 resulting lack of proper maintenance further erode property  
886 values. The Legislature finds that individuals and entities  
887 within Florida and in other states have expressed interest in  
888 purchasing unsold inventory in one or more condominium projects,  
889 but are reticent to do so because of accompanying liabilities  
890 inherited from the original developer, which are by definition  
891 imputed to the successor purchaser, including a foreclosing  
892 mortgagee. This results in the potential purchaser having  
893 unknown and unquantifiable risks, and potential successor  
894 purchasers are unwilling to accept such risks. The result is  
895 that condominium projects stagnate, leaving all parties involved  
896 at an impasse without the ability to find a solution.

897       (3) The Legislature finds and declares that it is the  
 898 public policy of this state to protect the interests of  
 899 developers, lenders, unit owners, and condominium associations  
 900 with regard to distressed condominiums, and that there is a need  
 901 for relief from certain provisions of the Florida Condominium  
 902 Act geared toward enabling economic opportunities within these  
 903 condominiums for successor purchasers, including foreclosing  
 904 mortgagees. Such relief would benefit existing unit owners and  
 905 condominium associations. The Legislature further finds and  
 906 declares that this situation cannot be open-ended without  
 907 potentially prejudicing the rights of unit owners and  
 908 condominium associations, and thereby declares that the  
 909 provisions of this part shall be used by purchasers of  
 910 condominium inventory for a specific and defined period.

911       718.703 Definitions.—As used in this part, the term:

912       (1) "Bulk assignee" means a person who:

913       (a) Acquires more than seven condominium parcels as set  
 914 forth in s. 718.707; and

915       (b) Receives an assignment of some or all of the rights of  
 916 the developer as are set forth in the declaration of condominium  
 917 or in this chapter by a written instrument recorded as an  
 918 exhibit to the deed or as a separate instrument in the public  
 919 records of the county in which the condominium is located.

920       (2) "Bulk buyer" means a person who acquires more than  
 921 seven condominium parcels as set forth in s. 718.707 but who  
 922 does not receive an assignment of any developer rights other  
 923 than the right to conduct sales, leasing, and marketing  
 924 activities within the condominium.

925 718.704 Assignment of developer rights to and assumption  
 926 of developer rights by bulk assignee; bulk buyer.—

927 (1) A bulk assignee shall be deemed to have assumed and is  
 928 liable for all duties and responsibilities of the developer  
 929 under the declaration and this chapter, except:

930 (a) Warranties of the developer under s. 718.203(1) or s.  
 931 718.618, except for design, construction, development, or repair  
 932 work performed by or on behalf of such bulk assignee.

933 (b) The obligation to:

934 1. Fund converter reserves under s. 718.618 for a unit  
 935 which was not acquired by the bulk assignee; or

936 2. Provide converter warranties on any portion of the  
 937 condominium property except as may be expressly provided by the  
 938 bulk assignee in the contract for purchase and sale executed  
 939 with a purchaser and pertaining to any design, construction,  
 940 development, or repair work performed by or on behalf of the  
 941 bulk assignee.

942 (c) The requirement to provide the association with a  
 943 cumulative audit of the association's finances from the date of  
 944 formation of the condominium association as required by s.  
 945 718.301. However, the bulk assignee shall provide an audit for  
 946 the period for which the bulk assignee elects a majority of the  
 947 members of the board of administration.

948 (d) Any liability arising out of or in connection with  
 949 actions taken by the board of administration or the developer-  
 950 appointed directors before the bulk assignee elects a majority  
 951 of the members of the board of administration.

952 (e) Any liability for or arising out of the developer's

953 failure to fund previous assessments or to resolve budgetary  
 954 deficits in relation to a developer's right to guarantee  
 955 assessments, except as otherwise provided in subsection (2).

956  
 957 Further, the bulk assignee is responsible for delivering  
 958 documents and materials in accordance with s. 718.705(3). A bulk  
 959 assignee may expressly assume some or all of the obligations of  
 960 the developer described in paragraphs (a)-(e).

961 (2) A bulk assignee receiving the assignment of the rights  
 962 of the developer to guarantee the level of assessments and fund  
 963 budgetary deficits pursuant to s. 718.116 shall be deemed to  
 964 have assumed and is liable for all obligations of the developer  
 965 with respect to such guarantee, including any applicable funding  
 966 of reserves to the extent required by law, for as long as the  
 967 guarantee remains in effect. A bulk assignee not receiving an  
 968 assignment of the right of the developer to guarantee the level  
 969 of assessments and fund budgetary deficits pursuant to s.  
 970 718.116 or a bulk buyer is not deemed to have assumed and is not  
 971 liable for the obligations of the developer with respect to such  
 972 guarantee, but is responsible for payment of assessments in the  
 973 same manner as all other owners of condominium parcels.

974 (3) A bulk buyer is liable for the duties and  
 975 responsibilities of the developer under the declaration and this  
 976 chapter only to the extent provided in this part, together with  
 977 any other duties or responsibilities of the developer expressly  
 978 assumed in writing by the bulk buyer.

979 (4) An acquirer of condominium parcels is not considered a  
 980 bulk assignee or a bulk buyer if the transfer to such acquirer

981 was made with the intent to hinder, delay, or defraud any  
 982 purchaser, unit owner, or the association, or if the acquirer is  
 983 a person who would constitute an insider under s. 726.102(7).

984 (5) An assignment of developer rights to a bulk assignee  
 985 may be made by the developer, a previous bulk assignee, or a  
 986 court of competent jurisdiction acting on behalf of the  
 987 developer or the previous bulk assignee. At any particular time,  
 988 there may be no more than one bulk assignee within a  
 989 condominium, but there may be more than one bulk buyer. If more  
 990 than one acquirer of condominium parcels receives an assignment  
 991 of developer rights from the same person, the bulk assignee is  
 992 the acquirer whose instrument of assignment is recorded first in  
 993 applicable public records.

994 718.705 Board of administration; transfer of control.—

995 (1) For purposes of determining the timing for transfer of  
 996 control of the board of administration of the association to  
 997 unit owners other than the developer under s. 718.301(1)(a) or  
 998 (b), if a bulk assignee is entitled to elect a majority of the  
 999 members of the board, a condominium parcel acquired by the bulk  
 1000 assignee shall not be deemed to be conveyed to a purchaser, or  
 1001 to be owned by an owner other than the developer, until such  
 1002 condominium parcel is conveyed to an owner who is not a bulk  
 1003 assignee.

1004 (2) Unless control of the board of administration of the  
 1005 association has already been relinquished pursuant to s.  
 1006 718.301(1), the bulk assignee is obligated to relinquish control  
 1007 of the association in accordance with s. 718.301 and this part.

1008 (3) When a bulk assignee relinquishes control of the board

1009 of administration as set forth in s. 718.301, the bulk assignee  
 1010 shall deliver all of those items required by s. 718.301(4).  
 1011 However, the bulk assignee is not required to deliver items and  
 1012 documents not in the possession of the bulk assignee during the  
 1013 period during which the bulk assignee was the owner of  
 1014 condominium parcels. In conjunction with the acquisition of  
 1015 condominium parcels, a bulk assignee shall undertake a good  
 1016 faith effort to obtain the documents and materials required to  
 1017 be provided to the association pursuant to s. 718.301(4). To the  
 1018 extent the bulk assignee is not able to obtain all of such  
 1019 documents and materials, the bulk assignee shall certify in  
 1020 writing to the association the names or descriptions of the  
 1021 documents and materials that were not obtainable by the bulk  
 1022 assignee. Delivery of the certificate relieves the bulk assignee  
 1023 of responsibility for the delivery of the documents and  
 1024 materials referenced in the certificate as otherwise required  
 1025 under ss. 718.112 and 718.301 and this part. The responsibility  
 1026 of the bulk assignee for the audit required by s. 718.301(4)  
 1027 shall commence as of the date on which the bulk assignee elected  
 1028 a majority of the members of the board of administration.

1029 (4) If a conflict arises between the provisions or  
 1030 application of this section and s. 718.301, this section shall  
 1031 prevail.

1032 (5) Failure of a bulk assignee or bulk buyer to comply  
 1033 with all the requirements contained in this part shall result in  
 1034 the loss of any and all protections or exemptions provided under  
 1035 this part.

1036 718.706 Specific provisions pertaining to offering of

1037 units by a bulk assignee or bulk buyer.—

1038 (1) Before offering any units for sale or for lease for a  
 1039 term exceeding 5 years, a bulk assignee or bulk buyer must file  
 1040 the following documents with the division and provide such  
 1041 documents to a prospective purchaser:

1042 (a) An updated prospectus or offering circular, or a  
 1043 supplement to the prospectus or offering circular, filed by the  
 1044 creating developer prepared in accordance with s. 718.504, which  
 1045 shall include the form of contract for purchase and sale in  
 1046 compliance with s. 718.503(2).

1047 (b) An updated Frequently Asked Questions and Answers  
 1048 sheet.

1049 (c) The executed escrow agreement if required under s.  
 1050 718.202.

1051 (d) The financial information required by s. 718.111(13).  
 1052 However, if a financial information report does not exist for  
 1053 the fiscal year before acquisition of title by the bulk assignee  
 1054 or bulk buyer, or accounting records cannot be obtained in good  
 1055 faith by the bulk assignee or bulk buyer which would permit  
 1056 preparation of the required financial information report, the  
 1057 bulk assignee or bulk buyer is excused from the requirement of  
 1058 this paragraph. However, the bulk assignee or bulk buyer must  
 1059 include in the purchase contract the following statement in  
 1060 conspicuous type:

1061  
 1062 THE FINANCIAL INFORMATION REPORT REQUIRED UNDER  
 1063 SECTION 718.111(13), FLORIDA STATUTES, FOR THE  
 1064 IMMEDIATELY PRECEDING FISCAL YEAR OF THE ASSOCIATION

1065 IS NOT AVAILABLE OR CANNOT BE CREATED BY THE SELLER AS  
 1066 A RESULT OF INSUFFICIENT ACCOUNTING RECORDS OF THE  
 1067 ASSOCIATION.

1068  
 1069 (2) Before offering any units for sale or for lease for a  
 1070 term exceeding 5 years, a bulk assignee must file with the  
 1071 division and provide to a prospective purchaser a disclosure  
 1072 statement that must include, but is not limited to:

1073 (a) A description to the purchaser of any rights of the  
 1074 developer which have been assigned to the bulk assignee.

1075 (b) The following statement in conspicuous type:

1076  
 1077 SELLER IS NOT OBLIGATED FOR ANY WARRANTIES OF THE  
 1078 DEVELOPER UNDER SECTION 718.203(1) OR SECTION 718.618,  
 1079 FLORIDA STATUTES, AS APPLICABLE, EXCEPT FOR DESIGN,  
 1080 CONSTRUCTION, DEVELOPMENT, OR REPAIR WORK PERFORMED BY  
 1081 OR ON BEHALF OF SELLER.

1082  
 1083 (c) If the condominium is a conversion subject to part VI,  
 1084 the following statement in conspicuous type:

1085  
 1086 SELLER HAS NO OBLIGATION TO FUND CONVERTER  
 1087 RESERVES OR TO PROVIDE CONVERTER WARRANTIES UNDER  
 1088 SECTION 718.618, FLORIDA STATUTES, ON ANY PORTION OF  
 1089 THE CONDOMINIUM PROPERTY EXCEPT AS MAY BE EXPRESSLY  
 1090 REQUIRED OF THE SELLER IN THE CONTRACT FOR PURCHASE  
 1091 AND SALE EXECUTED BY THE SELLER AND THE PREVIOUS  
 1092 DEVELOPER AND PERTAINING TO ANY DESIGN, CONSTRUCTION,

1093 DEVELOPMENT, OR REPAIR WORK PERFORMED BY OR ON BEHALF  
 1094 OF THE SELLER.

1096 (3) In addition to the requirements set forth in  
 1097 subsection (1), a bulk assignee or bulk buyer must comply with  
 1098 the nondeveloper disclosure requirements set forth in s.  
 1099 718.503(2) before offering any units for sale or for lease for a  
 1100 term exceeding 5 years.

1101 (4) A bulk assignee, while in control of the board of  
 1102 administration of the association, may not authorize, on behalf  
 1103 of the association:

1104 (a) The waiver of reserves or the reduction of funding of  
 1105 the reserves in accordance with s. 718.112(2)(f)2., unless  
 1106 approved by a majority of the voting interests not controlled by  
 1107 the developer, bulk assignee, or bulk buyer; or

1108 (b) The use of reserve expenditures for other purposes in  
 1109 accordance with s. 718.112(2)(f)3., unless approved by a  
 1110 majority of the voting interests not controlled by the  
 1111 developer, bulk assignee, or bulk buyer.

1112 (5) A bulk assignee, while in control of the board of  
 1113 administration of the association, must comply with the  
 1114 requirements imposed upon developers to transfer control of the  
 1115 association to the unit owners in accordance with s. 718.301.

1116 (6) A bulk assignee or bulk buyer must comply with all the  
 1117 requirements of s. 718.302 regarding any contracts entered into  
 1118 by the association during the period the bulk assignee or bulk  
 1119 buyer maintains control of the board of administration. Unit  
 1120 owners shall be afforded all the protections contained in s.

1121 718.302 regarding agreements entered into by the association  
 1122 before unit owners other than the developer, bulk assignee, or  
 1123 bulk buyer elected a majority of the board of administration.

1124 (7) A bulk buyer must comply with the requirements  
 1125 contained in the declaration regarding any transfer of a unit,  
 1126 including sales, leases, and subleases. A bulk buyer is not  
 1127 entitled to any exemptions afforded a developer or successor  
 1128 developer under this chapter regarding any transfer of a unit,  
 1129 including sales, leases, or subleases.

1130 718.707 Time limitation for classification as bulk  
 1131 assignee or bulk buyer.—A person acquiring condominium parcels  
 1132 may not be classified as a bulk assignee or bulk buyer unless  
 1133 the condominium parcels were acquired before July 1, 2011. The  
 1134 date of such acquisition shall be determined by the date of  
 1135 recording of a deed or other instrument of conveyance for such  
 1136 parcels in the public records of the county in which the  
 1137 condominium is located or by the date of issuance of a  
 1138 certificate of title in a foreclosure proceeding with respect to  
 1139 such condominium parcels.

1140 718.708 Liability of developers and others.—An assignment  
 1141 of developer rights to a bulk assignee or bulk buyer does not  
 1142 release the developer from any liabilities under the declaration  
 1143 or this chapter. This part does not limit the liability of the  
 1144 developer for claims brought by unit owners, bulk assignees, or  
 1145 bulk buyers for violations of this chapter by the developer,  
 1146 unless specifically excluded in this part. Nothing contained  
 1147 within this part waives, releases, compromises, or limits the  
 1148 liability of contractors, subcontractors, materialmen,

1149 manufacturers, architects, engineers, or any participant in the  
 1150 design or construction of a condominium for any claim brought by  
 1151 an association, unit owners, bulk assignees, or bulk buyers  
 1152 arising from the design of the condominium, construction  
 1153 defects, misrepresentations associated with condominium  
 1154 property, or violations of this chapter, unless specifically  
 1155 excluded in this part.

1156 Section 9. Subsection (5) of section 719.1055, Florida  
 1157 Statutes, is amended to read:

1158 719.1055 Amendment of cooperative documents; alteration  
 1159 and acquisition of property.—

1160 (5) There shall be a provision in the bylaws that a  
 1161 certificate of compliance from a licensed electrical contractor  
 1162 or electrician may be accepted by the association's board as  
 1163 evidence of compliance of the cooperative units with the  
 1164 applicable fire and life safety code. Notwithstanding the  
 1165 provisions of chapter 633 or of any other code, statute,  
 1166 ordinance, administrative rule, or regulation, or any  
 1167 interpretation of the foregoing, a cooperative or unit owner is  
 1168 not obligated to retrofit the common elements, common areas,  
 1169 association-owned property, or units of a residential  
 1170 cooperative with a fire sprinkler system or any other form of  
 1171 engineered lifesafety ~~life safety~~ system in a building that has  
 1172 been certified for occupancy by the applicable governmental  
 1173 entity, if the unit owners have voted to forego such  
 1174 retrofitting and engineered lifesafety ~~life safety~~ system by the  
 1175 affirmative vote of two-thirds of all voting interests in the  
 1176 affected cooperative. ~~However, a cooperative may not forego the~~

1177 ~~retrofitting with a fire sprinkler system of common areas in a~~  
 1178 ~~high-rise building. For purposes of this subsection, the term~~  
 1179 ~~"high-rise building" means a building that is greater than 75~~  
 1180 ~~feet in height where the building height is measured from the~~  
 1181 ~~lowest level of fire department access to the floor of the~~  
 1182 ~~highest occupiable story. For purposes of this subsection, the~~  
 1183 ~~term "common areas" means any enclosed hallway, corridor, lobby,~~  
 1184 ~~stairwell, or entryway. In no event shall the local authority~~  
 1185 ~~having jurisdiction require completion of retrofitting of common~~  
 1186 ~~areas with a sprinkler system or other form of engineered~~  
 1187 ~~lifesafety system before the end of 2019 2014.~~

1188 (a) A vote to forego retrofitting may be obtained by  
 1189 limited proxy or by a ballot personally cast at a duly called  
 1190 membership meeting, or by execution of a written consent by the  
 1191 member, and shall be effective upon the recording of a  
 1192 certificate attesting to such vote in the public records of the  
 1193 county where the cooperative is located. The association shall  
 1194 mail or hand deliver, ~~or electronically transmit~~ to each unit  
 1195 owner written notice at least 14 days prior to such membership  
 1196 meeting in which the vote to forego retrofitting of the required  
 1197 fire sprinkler system or any other form of engineered lifesafety  
 1198 system is to take place. Within 30 days after the association's  
 1199 opt-out vote, notice of the results of the opt-out vote shall be  
 1200 mailed or hand delivered, ~~or electronically transmitted~~ to all  
 1201 unit owners. Evidence of compliance with this 30-day notice  
 1202 shall be made by an affidavit executed by the person providing  
 1203 the notice and filed among the official records of the  
 1204 association. After such notice is provided to each owner, a copy

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1205 of such notice shall be provided by the current owner to a new  
 1206 owner prior to closing and shall be provided by a unit owner to  
 1207 a renter prior to signing a lease.

1208 (b) If there has been a previous vote approving the  
 1209 association to forego retrofitting, a vote to require  
 1210 retrofitting may be obtained at a special meeting of the unit  
 1211 owners called by a petition of least 10 percent of the voting  
 1212 interests. Such vote may only be called for once every 3 years.  
 1213 Notice shall be provided as required for any regularly called  
 1214 meeting of the unit owners, and the notice shall state the  
 1215 purpose of the meeting. Electronic transmission may not be used  
 1216 as a method of giving notice of a meeting called in whole or in  
 1217 part for this purpose.

1218 (c) ~~(b)~~ As part of the information collected annually from  
 1219 cooperatives, the division shall require associations to report  
 1220 the membership vote and recording of a certificate under this  
 1221 subsection and, if retrofitting has been undertaken, the per-  
 1222 unit cost of such work. The division shall annually report to  
 1223 the Division of State Fire Marshal of the Department of  
 1224 Financial Services the number of cooperatives that have elected  
 1225 to forego retrofitting.

1226 Section 10. Subsection (2) of section 553.509, Florida  
 1227 Statutes, is repealed.

1228 Section 11. This act shall take effect upon becoming a  
 1229 law.