

LEGISLATIVE ACTION

Senate		House
Comm: RCS		
02/21/2013	•	
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The Committee on Regulated Industries (Legg) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Subsection (9) of section 399.02, Florida Statutes, is amended to read:

399.02 General requirements.-

8 (9) Updates to the Safety Code for Existing Elevators and 9 Escalators, ASME A17.1 and A17.3, which require Phase II 10 Firefighters' Service on elevators may not be enforced until 11 July 1, 2015, or until the elevator is replaced or requires 12 major modification, whichever occurs first, on elevators in



13 condominiums or multifamily residential buildings, including those that are part of a continuing care facility licensed under 14 chapter 651, or similar retirement community with apartments, 15 having a certificate of occupancy by the local building 16 authority that was issued before July 1, 2008. This exception 17 does not prevent an elevator owner from requesting a variance 18 19 from the applicable codes before or after July 1, 2015. This subsection does not prohibit the division from granting 20 21 variances pursuant to s. 120.542 and subsection (8). The 22 division shall adopt rules to administer this subsection.

Section 2. Subsection (2) of section 514.0115, Florida
Statutes, is amended to read:

25 514.0115 Exemptions from supervision or regulation; 26 variances.-

(2) (a) Pools serving no more than 32 condominium <u>units</u>, or cooperative units, or parcels in a homeowners' association as <u>defined in s. 720.301</u>, which are not operated as a <u>transient</u> public lodging establishment, <u>are shall be</u> exempt from supervision under this chapter, except for water quality.

(b) Pools serving more than 32 condominium units, or 32 33 cooperative units, or parcels in a homeowners' association as defined in s. 720.301, associations of more than 32 units and 34 35 whose recorded documents prohibit the rental or sublease of the 36 units or parcels for periods of less than 60 days are exempt 37 from supervision under this chapter, except that the 38 condominium, or cooperative, or parcel owner or association must 39 file applications with the department and obtain construction plans approval and receive an initial operating permit. The 40 41 department shall inspect the swimming pools at such places

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42 annually, at the fee set forth in s. 514.033(3), or upon request 43 by a unit owner, to determine compliance with department rules 44 relating to water quality and lifesaving equipment. The 45 department may not require compliance with rules relating to 46 swimming pool lifeguard standards.

47 Section 3. Subsection (8), paragraphs (g) and (j) of 48 subsection (11), paragraph (c) of subsection (12), and 49 paragraphs (a) and (b) of subsection (13) of section 718.111, 50 Florida Statutes, are amended to read:

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718.111 The association.-

52 (8) PURCHASE OF LEASES. - The association has the power to 53 purchase any land or recreation lease, subject to the same manner of approval as in s. 718.114 for the acquisition of 54 55 leaseholds upon the approval of such voting interest as is 56 required by the declaration. If the declaration makes no provision for acquisition of the land or recreation lease, the 57 58 vote required shall be that required to amend the declaration to 59 permit the acquisition.

60 (11) INSURANCE.-In order to protect the safety, health, and 61 welfare of the people of the State of Florida and to ensure 62 consistency in the provision of insurance coverage to 63 condominiums and their unit owners, this subsection applies to every residential condominium in the state, regardless of the 64 date of its declaration of condominium. It is the intent of the 65 66 Legislature to encourage lower or stable insurance premiums for 67 associations described in this subsection.

(g) A condominium unit owner's policy must conform to therequirements of s. 627.714.

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1. All reconstruction work after a property loss must be



71 undertaken by the association except as otherwise authorized in 72 this section. A unit owner may undertake reconstruction work on 73 portions of the unit with the prior written consent of the board 74 of administration. However, such work may be conditioned upon 75 the approval of the repair methods, the qualifications of the 76 proposed contractor, or the contract that is used for that 77 purpose. A unit owner must obtain all required governmental 78 permits and approvals before commencing reconstruction.

79 2. Unit owners are responsible for the cost of 80 reconstruction of any portions of the condominium property for 81 which the unit owner is required to carry property insurance, or 82 for which the unit owner is responsible under paragraph (j), and the cost of any such reconstruction work undertaken by the 83 84 association is chargeable to the unit owner and enforceable as an assessment and may be collected in the manner provided for 85 the collection of assessments pursuant to s. 718.116. 86

87 3. A multicondominium association may elect, by a majority vote of the collective members of the condominiums operated by 88 89 the association, to operate the condominiums as a single 90 condominium for purposes of insurance matters, including, but 91 not limited to, the purchase of the property insurance required 92 by this section and the apportionment of deductibles and damages in excess of coverage. The election to aggregate the treatment 93 94 of insurance premiums, deductibles, and excess damages 95 constitutes an amendment to the declaration of all condominiums 96 operated by the association, and the costs of insurance must be 97 stated in the association budget. The amendments must be recorded as required by s. 718.110. 98

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(j) Any portion of the condominium property that must be



100 insured by the association against property loss pursuant to paragraph (f) which is damaged by an insurable event shall be 101 102 reconstructed, repaired, or replaced as necessary by the 103 association as a common expense. All property insurance deductibles, uninsured losses, and other damages in excess of 104 105 property insurance coverage under the property insurance 106 policies maintained by the association are a common expense of 107 the condominium, except that:

108 1. A unit owner is responsible for the costs of repair or 109 replacement of any portion of the condominium property not paid 110 by insurance proceeds if such damage is caused by intentional 111 conduct, negligence, or failure to comply with the terms of the declaration or the rules of the association by a unit owner, the 112 113 members of his or her family, unit occupants, tenants, guests, or invitees, without compromise of the subrogation rights of the 114 insurer. 115

116 2. The provisions of subparagraph 1. regarding the 117 financial responsibility of a unit owner for the costs of 118 repairing or replacing other portions of the condominium 119 property also apply to the costs of repair or replacement of 120 personal property of other unit owners or the association, as 121 well as other property, whether real or personal, which the unit 122 owners are required to insure.

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

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129 subrogation.

4. The association is not obligated to pay for reconstruction or repairs of property losses as a common expense if the property losses were known or should have been known to a unit owner and were not reported to the association until after the insurance claim of the association for that property was settled or resolved with finality, or denied because it was untimely filed.

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(12) OFFICIAL RECORDS.-

138 (c) The official records of the association are open to 139 inspection by any association member or the authorized 140 representative of such member at all reasonable times. The right 141 to inspect the records includes the right to make or obtain 142 copies, at the reasonable expense, if any, of the member. The association may adopt reasonable rules regarding the frequency, 143 144 time, location, notice, and manner of record inspections and copying. The failure of an association to provide the records 145 within 10 working days after receipt of a written request 146 147 creates a rebuttable presumption that the association willfully 148 failed to comply with this paragraph. A unit owner who is denied 149 access to official records is entitled to the actual damages or 150 minimum damages for the association's willful failure to comply. 151 Minimum damages are \$50 per calendar day for up to 10 days, 152 beginning on the 11th working day after receipt of the written 153 request. The failure to permit inspection entitles any person 154 prevailing in an enforcement action to recover reasonable 155 attorney attorney's fees from the person in control of the records who, directly or indirectly, knowingly denied access to 156 157 the records. Any person who knowingly or intentionally defaces



158 or destroys accounting records that are required by this chapter 159 to be maintained during the period for which such records are 160 required to be maintained, or who knowingly or intentionally 161 fails to create or maintain accounting records that are required to be created or maintained, with the intent of causing harm to 162 the association or one or more of its members, is personally 163 164 subject to a civil penalty pursuant to s. 718.501(1)(d). The 165 association shall maintain an adequate number of copies of the 166 declaration, articles of incorporation, bylaws, and rules, and 167 all amendments to each of the foregoing, as well as the question 168 and answer sheet as described in s. 718.504 and year-end 169 financial information required under this section, on the 170 condominium property to ensure their availability to unit owners 171 and prospective purchasers, and may charge its actual costs for preparing and furnishing these documents to those requesting the 172 documents. An association shall allow a member or his or her 173 174 authorized representative to use a portable device, including a smartphone, tablet, portable scanner, or any other technology 175 176 capable of scanning or taking photographs, to make an electronic 177 copy of the official records in lieu of the association's 178 providing the member or his or her authorized representative 179 with a copy of such records. The association may not charge a 180 member or his or her authorized representative for the use of a 181 portable device. Notwithstanding this paragraph, the following 182 records are not accessible to unit owners:

183 1. Any record protected by the lawyer-client privilege as 184 described in s. 90.502 and any record protected by the work-185 product privilege, including a record prepared by an association 186 attorney or prepared at the attorney's express direction, which



187 reflects a mental impression, conclusion, litigation strategy, 188 or legal theory of the attorney or the association, and which 189 was prepared exclusively for civil or criminal litigation or for 190 adversarial administrative proceedings, or which was prepared in 191 anticipation of such litigation or proceedings until the 192 conclusion of the litigation or proceedings.

193 2. Information obtained by an association in connection 194 with the approval of the lease, sale, or other transfer of a 195 unit.

196 3. Personnel records of association or management company 197 employees, including, but not limited to, disciplinary, payroll, 198 health, and insurance records. For purposes of this 199 subparagraph, the term "personnel records" does not include 200 written employment agreements with an association employee or 201 management company, or budgetary or financial records that 202 indicate the compensation paid to an association employee.

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4. Medical records of unit owners.

204 5. Social security numbers, driver driver's license 205 numbers, credit card numbers, e-mail addresses, telephone 206 numbers, facsimile numbers, emergency contact information, 207 addresses of a unit owner other than as provided to fulfill the 208 association's notice requirements, and other personal 209 identifying information of any person, excluding the person's name, unit designation, mailing address, property address, and 210 211 any address, e-mail address, or facsimile number provided to the 212 association to fulfill the association's notice requirements. 213 However, an owner may consent in writing to the disclosure of protected information described in this subparagraph. The 214 215 association is not liable for the inadvertent disclosure of



216 information that is protected under this subparagraph if the 217 information is included in an official record of the association 218 and is voluntarily provided by an owner and not requested by the 219 association.

220 6. Electronic security measures that are used by the221 association to safeguard data, including passwords.

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

226 (13) FINANCIAL REPORTING.-Within 90 days after the end of 227 the fiscal year, or annually on a date provided in the bylaws, 228 the association shall prepare and complete, or contract for the 229 preparation and completion of, a financial report for the preceding fiscal year. Within 21 days after the final financial 230 231 report is completed by the association or received from the third party, but not later than 120 days after the end of the 232 fiscal year or other date as provided in the bylaws, the 233 234 association shall mail to each unit owner at the address last furnished to the association by the unit owner, or hand deliver 235 236 to each unit owner, a copy of the financial report or a notice 237 that a copy of the financial report will be mailed or hand 238 delivered to the unit owner, without charge, upon receipt of a 239 written request from the unit owner. The division shall adopt 240 rules setting forth uniform accounting principles and standards to be used by all associations and addressing the financial 241 242 reporting requirements for multicondominium associations. The 243 rules must include, but not be limited to, standards for 244 presenting a summary of association reserves, including a good

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245 faith estimate disclosing the annual amount of reserve funds 246 that would be necessary for the association to fully fund reserves for each reserve item based on the straight-line 247 248 accounting method. This disclosure is not applicable to reserves funded via the pooling method. In adopting such rules, the 249 250 division shall consider the number of members and annual 251 revenues of an association. Financial reports shall be prepared 252 as follows:

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

1. An association with total annual revenues of \$200,000 \$100,000 or more, but less than \$300,000 \$200,000, shall prepare compiled financial statements.

261 2. An association with total annual revenues of at least
 262 \$300,000 \$200,000, but less than \$500,000 \$400,000, shall
 263 prepare reviewed financial statements.

3. An association with total annual revenues of \$500,000
 \$400,000 or more shall prepare audited financial statements.

(b)1. An association with total annual revenues of less than <u>\$200,000</u> \$100,000 shall prepare a report of cash receipts and expenditures.

269 2. An association that operates fewer than 75 units, 270 regardless of the association's annual revenues, shall prepare a 271 report of cash receipts and expenditures in lieu of financial 272 statements required by paragraph (a).

3. A report of cash receipts and disbursements must

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274 disclose the amount of receipts by accounts and receipt 275 classifications and the amount of expenses by accounts and 276 expense classifications, including, but not limited to, the 277 following, as applicable: costs for security, professional and 278 management fees and expenses, taxes, costs for recreation 279 facilities, expenses for refuse collection and utility services, 280 expenses for lawn care, costs for building maintenance and 281 repair, insurance costs, administration and salary expenses, and 282 reserves accumulated and expended for capital expenditures, 283 deferred maintenance, and any other category for which the 284 association maintains reserves.

285 Section 4. Paragraphs (d) and (j) of subsection (2) of 286 section 718.112, Florida Statutes, are amended to read:

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718.112 Bylaws.-

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

(d) Unit owner meetings.-

1. An annual meeting of the unit owners shall be held at the location provided in the association bylaws and, if the bylaws are silent as to the location, the meeting shall be held within 45 miles of the condominium property. However, such distance requirement does not apply to an association governing a timeshare condominium.

298 2. Unless the bylaws provide otherwise, a vacancy on the 299 board caused by the expiration of a director's term shall be 300 filled by electing a new board member, and the election must be 301 by secret ballot. An election is not required if the number of 302 vacancies equals or exceeds the number of candidates. For



303 purposes of this paragraph, the term "candidate" means an 304 eligible person who has timely submitted the written notice, as described in sub-subparagraph 4.a., of his or her intention to 305 306 become a candidate. Except in a timeshare condominium, or if the 307 staggered term of a board member does not expire until a later 308 annual meeting, or if all members' terms would otherwise expire 309 but there are no candidates, the terms of all board members expire at the annual meeting, and such members may stand for 310 311 reelection unless prohibited by the bylaws. If the bylaws or 312 articles of incorporation permit staggered terms of no more than 313 2 years and upon approval of a majority of the total voting 314 interests, the association board members may serve 2-year staggered terms. If the number of board members whose terms 315 316 expire at the annual meeting equals or exceeds the number of 317 candidates, the candidates become members of the board effective 318 upon the adjournment of the annual meeting. Unless the bylaws 319 provide otherwise, any remaining vacancies shall be filled by 320 the affirmative vote of the majority of the directors making up 321 the newly constituted board even if the directors constitute 322 less than a quorum or there is only one director. In a 323 condominium association of more than 10 units or in a 324 condominium association that does not include timeshare units or 325 timeshare interests, coowners of a unit may not serve as members 32.6 of the board of directors at the same time unless they own more 327 than one unit or unless there are not enough eligible candidates 328 to fill the vacancies on the board at the time of the vacancy. 329 Any unit owner desiring to be a candidate for board membership must comply with sub-subparagraph 4.a. and must be eligible to 330 331 be a candidate to serve on the board of directors at the time of



332 the deadline for submitting a notice of intent to run in order 333 to have his or her name listed as a proper candidate on the 334 ballot or to serve on the board. A person who has been suspended 335 or removed by the division under this chapter, or who is 336 delinquent in the payment of any monetary obligation due to the association fee, fine, or special or regular assessment as 337 338 provided in paragraph (n), is not eligible to be a candidate for 339 board membership and may not be listed on the ballot. A person 340 who has been convicted of any felony in this state or in a 341 United States District or Territorial Court, or who has been 342 convicted of any offense in another jurisdiction which would be 343 considered a felony if committed in this state, is not eligible for board membership unless such felon's civil rights have been 344 345 restored for at least 5 years as of the date such person seeks election to the board. The validity of an action by the board is 346 347 not affected if it is later determined that a board member is ineligible for board membership due to having been convicted of 348 349 a felony.

350 3. The bylaws must provide the method of calling meetings 351 of unit owners, including annual meetings. Written notice must 352 include an agenda, must be mailed, hand delivered, or 353 electronically transmitted to each unit owner at least 14 days 354 before the annual meeting, and must be posted in a conspicuous 355 place on the condominium property at least 14 continuous days before the annual meeting. Upon notice to the unit owners, the 356 357 board shall, by duly adopted rule, designate a specific location 358 on the condominium property or association property where all 359 notices of unit owner meetings shall be posted. This requirement 360 does not apply if there is no condominium property or

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361 association property for posting notices. In lieu of, or in 362 addition to, the physical posting of meeting notices, the 363 association may, by reasonable rule, adopt a procedure for 364 conspicuously posting and repeatedly broadcasting the notice and 365 the agenda on a closed-circuit cable television system serving 366 the condominium association. However, if broadcast notice is 367 used in lieu of a notice posted physically on the condominium 368 property, the notice and agenda must be broadcast at least four 369 times every broadcast hour of each day that a posted notice is 370 otherwise required under this section. If broadcast notice is 371 provided, the notice and agenda must be broadcast in a manner 372 and for a sufficient continuous length of time so as to allow an 373 average reader to observe the notice and read and comprehend the 374 entire content of the notice and the agenda. Unless a unit owner 375 waives in writing the right to receive notice of the annual 376 meeting, such notice must be hand delivered, mailed, or 377 electronically transmitted to each unit owner. Notice for 378 meetings and notice for all other purposes must be mailed to 379 each unit owner at the address last furnished to the association 380 by the unit owner, or hand delivered to each unit owner. 381 However, if a unit is owned by more than one person, the 382 association must provide notice to the address that the 383 developer identifies for that purpose and thereafter as one or more of the owners of the unit advise the association in 384 385 writing, or if no address is given or the owners of the unit do 386 not agree, to the address provided on the deed of record. An 387 officer of the association, or the manager or other person providing notice of the association meeting, must provide an 388 389 affidavit or United States Postal Service certificate of

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390 mailing, to be included in the official records of the 391 association affirming that the notice was mailed or hand 392 delivered in accordance with this provision.

393 4. The members of the board shall be elected by written 394 ballot or voting machine. Proxies may not be used in electing 395 the board in general elections or elections to fill vacancies 396 caused by recall, resignation, or otherwise, unless otherwise 397 provided in this chapter. <u>This subparagraph does not apply to an</u> 398 <u>association governing a timeshare condominium.</u>

399 a. At least 60 days before a scheduled election, the 400 association shall mail, deliver, or electronically transmit, by 401 separate association mailing or included in another association 402 mailing, delivery, or transmission, including regularly 403 published newsletters, to each unit owner entitled to a vote, a 404 first notice of the date of the election. Any unit owner or 405 other eligible person desiring to be a candidate for the board 406 must give written notice of his or her intent to be a candidate 407 to the association at least 40 days before a scheduled election. 408 Together with the written notice and agenda as set forth in 409 subparagraph 3., the association shall mail, deliver, or 410 electronically transmit a second notice of the election to all 411 unit owners entitled to vote, together with a ballot that lists 412 all candidates. Upon request of a candidate, an information 413 sheet, no larger than 81/2 inches by 11 inches, which must be 414 furnished by the candidate at least 35 days before the election, 415 must be included with the mailing, delivery, or transmission of 416 the ballot, with the costs of mailing, delivery, or electronic 417 transmission and copying to be borne by the association. The 418 association is not liable for the contents of the information



419 sheets prepared by the candidates. In order to reduce costs, the 420 association may print or duplicate the information sheets on 421 both sides of the paper. The division shall by rule establish 422 voting procedures consistent with this sub-subparagraph, 423 including rules establishing procedures for giving notice by electronic transmission and rules providing for the secrecy of 424 425 ballots. Elections shall be decided by a plurality of ballots 426 cast. There is no quorum requirement; however, at least 20 427 percent of the eligible voters must cast a ballot in order to 428 have a valid election. A unit owner may not permit any other 429 person to vote his or her ballot, and any ballots improperly 430 cast are invalid. A unit owner who violates this provision may 431 be fined by the association in accordance with s. 718.303. A 432 unit owner who needs assistance in casting the ballot for the 433 reasons stated in s. 101.051 may obtain such assistance. The 434 regular election must occur on the date of the annual meeting. 435 Notwithstanding this sub-subparagraph, an election is not 436 required unless more candidates file notices of intent to run or 437 are nominated than board vacancies exist.

438 b. Within 90 days after being elected or appointed to the 439 board, each newly elected or appointed director shall certify in writing to the secretary of the association that he or she has 440 441 read the association's declaration of condominium, articles of 442 incorporation, bylaws, and current written policies; that he or 443 she will work to uphold such documents and policies to the best of his or her ability; and that he or she will faithfully 444 445 discharge his or her fiduciary responsibility to the association's members. In lieu of this written certification, 446 within 90 days after being elected or appointed to the board, 447

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448 the newly elected or appointed director may submit a certificate 449 of having satisfactorily completed the educational curriculum 450 administered by a division-approved condominium education 451 provider within 1 year before or 90 days after the date of 452 election or appointment. The written certification or 453 educational certificate is valid and does not have to be 454 resubmitted as long as the director serves on the board without 455 interruption. A director who fails to timely file the written 456 certification or educational certificate is suspended from 457 service on the board until he or she complies with this sub-458 subparagraph. The board may temporarily fill the vacancy during 459 the period of suspension. The secretary shall cause the 460 association to retain a director's written certification or 461 educational certificate for inspection by the members for 5 462 years after a director's election or the duration of the 463 director's uninterrupted tenure, whichever is longer. Failure to 464 have such written certification or educational certificate on 465 file does not affect the validity of any board action.

466 <u>c. Any challenge to the election process must be commenced</u> 467 <u>within 60 days after the election results are announced.</u>

468 5. Any approval by unit owners called for by this chapter or the applicable declaration or bylaws, including, but not 469 470 limited to, the approval requirement in s. 718.111(8), must be 471 made at a duly noticed meeting of unit owners and is subject to 472 all requirements of this chapter or the applicable condominium documents relating to unit owner decisionmaking, except that 473 474 unit owners may take action by written agreement, without 475 meetings, on matters for which action by written agreement 476 without meetings is expressly allowed by the applicable bylaws

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477 or declaration or any law that provides for such action. 478 6. Unit owners may waive notice of specific meetings if 479 allowed by the applicable bylaws or declaration or any law. If 480 authorized by the bylaws, notice of meetings of the board of 481 administration, unit owner meetings, except unit owner meetings 482 called to recall board members under paragraph (j), and 483 committee meetings may be given by electronic transmission to 484 unit owners who consent to receive notice by electronic 485 transmission.

486 7. Unit owners have the right to participate in meetings of 487 unit owners with reference to all designated agenda items. 488 However, the association may adopt reasonable rules governing 489 the frequency, duration, and manner of unit owner participation.

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

493 9. Unless otherwise provided in the bylaws, any vacancy occurring on the board before the expiration of a term may be 494 495 filled by the affirmative vote of the majority of the remaining 496 directors, even if the remaining directors constitute less than 497 a quorum, or by the sole remaining director. In the alternative, 498 a board may hold an election to fill the vacancy, in which case 499 the election procedures must conform to sub-subparagraph 4.a. 500 unless the association governs 10 units or fewer and has opted 501 out of the statutory election process, in which case the bylaws 502 of the association control. Unless otherwise provided in the 503 bylaws, a board member appointed or elected under this section shall fill the vacancy for the unexpired term of the seat being 504 filled. Filling vacancies created by recall is governed by 505

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506 paragraph (j) and rules adopted by the division.

507 10. This chapter does not limit the use of general or 508 limited proxies, require the use of general or limited proxies, 509 or require the use of a written ballot or voting machine for any 510 agenda item or election at any meeting of a timeshare 511 condominium association.

513 Notwithstanding subparagraph (b)2. and sub-subparagraph 4.a., an 514 association of 10 or fewer units may, by affirmative vote of a 515 majority of the total voting interests, provide for different 516 voting and election procedures in its bylaws, which may be by a 517 proxy specifically delineating the different voting and election procedures. The different voting and election procedures may 518 519 provide for elections to be conducted by limited or general 520 proxy.

(j) Recall of board members.-Subject to the provisions of 521 522 s. 718.301, any member of the board of administration may be 523 recalled and removed from office with or without cause by the 524 vote or agreement in writing by a majority of all the voting 525 interests. A special meeting of the unit owners to recall a 526 member or members of the board of administration may be called 527 by 10 percent of the voting interests giving notice of the 528 meeting as required for a meeting of unit owners, and the notice 529 shall state the purpose of the meeting. Electronic transmission 530 may not be used as a method of giving notice of a meeting called 531 in whole or in part for this purpose.

532 1. If the recall is approved by a majority of all voting
533 interests by a vote at a meeting, the recall will be effective
534 as provided <u>in this paragraph</u> herein. The board shall duly

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535 notice and hold a board meeting within 5 full business days 536 after of the adjournment of the unit owner meeting to recall one 537 or more board members. At the meeting, the board shall either 538 certify the recall, in which case such member or members shall 539 be recalled effective immediately and shall turn over to the 540 board within 5 full business days any and all records and 541 property of the association in their possession, or shall 542 proceed as set forth in subparagraph 3.

543 2. If the proposed recall is by an agreement in writing by 544 a majority of all voting interests, the agreement in writing or 545 a copy thereof shall be served on the association by certified 546 mail or by personal service in the manner authorized by chapter 547 48 and the Florida Rules of Civil Procedure. The board of 548 administration shall duly notice and hold a meeting of the board within 5 full business days after receipt of the agreement in 549 550 writing. At the meeting, the board shall either certify the written agreement to recall a member or members of the board, in 551 552 which case such member or members shall be recalled effective 553 immediately and shall turn over to the board within 5 full 554 business days any and all records and property of the 555 association in their possession, or proceed as described in 556 subparagraph 3.

3. If the board determines not to certify the written agreement to recall a member or members of the board, or does not certify the recall by a vote at a meeting, the board shall, within 5 full business days after the meeting, file with the division a petition for arbitration pursuant to the procedures in s. 718.1255. For the purposes of this section, the unit owners who voted at the meeting or who executed the agreement in

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564 writing shall constitute one party under the petition for 565 arbitration. If the arbitrator certifies the recall as to any 566 member or members of the board, the recall will be effective 567 upon mailing of the final order of arbitration to the 568 association. If the association fails to comply with the order 569 of the arbitrator, the division may take action pursuant to s. 570 718.501. Any member or members so recalled shall deliver to the 571 board any and all records of the association in their possession 572 within 5 full business days after of the effective date of the 573 recall.

4. If the board fails to duly notice and hold a board meeting within 5 full business days <u>after</u> of service of an agreement in writing or within 5 full business days <u>after</u> of the adjournment of the unit owner recall meeting, the recall shall be deemed effective and the board members so recalled shall immediately turn over to the board any and all records and property of the association.

581 5. If the board fails to duly notice and hold the required 582 meeting or fails to file the required petition, the unit owner 583 representative may file a petition pursuant to s. 718.1255 584 challenging the board's failure to act. The petition must be 585 filed within 60 days after the expiration of the applicable 5-586 full-business-day period. The review of a petition under this 587 subparagraph is limited to the sufficiency of service on the 588 board and the facial validity of the written agreement or 589 ballots filed.

590 <u>6.5.</u> If a vacancy occurs on the board as a result of a 591 recall or removal and less than a majority of the board members 592 are removed, the vacancy may be filled by the affirmative vote



593 of a majority of the remaining directors, notwithstanding any 594 provision to the contrary contained in this subsection. If 595 vacancies occur on the board as a result of a recall and a 596 majority or more of the board members are removed, the vacancies 597 shall be filled in accordance with procedural rules to be 598 adopted by the division, which rules need not be consistent with 599 this subsection. The rules must provide procedures governing the 600 conduct of the recall election as well as the operation of the 601 association during the period after a recall but before prior to the recall election. 602 603 7. A board member who has been recalled may file a petition 604 pursuant to s. 718.1255 challenging the validity of the recall. 605 The petition must be filed within 60 days after the recall is 606 deemed certified. The association and the unit owner 607 representative shall be named as the respondents. 608 8. The division may not accept for filing a recall 609 petition, whether filed pursuant to subparagraph 1., subparagraph 2., subparagraph 5., or subparagraph 7. and 610 611 regardless of whether the recall was certified, when there are 60 or fewer days until the scheduled reelection of the board 612 613 member sought to be recalled or when 60 or fewer days have elapsed since the election of the board member sought to be 614 615 recalled. 616 Section 5. Subsection (5) of section 718.113, Florida 617 Statutes, is amended to read: 618 718.113 Maintenance; limitation upon improvement; display 619 of flag; hurricane shutters and protection; display of religious 620 decorations.-

621

(5) Each board of administration shall adopt hurricane

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622 shutter specifications for each building within each condominium 623 operated by the association which shall include color, style, 624 and other factors deemed relevant by the board. All 625 specifications adopted by the board must comply with the 626 applicable building code.

(a) The board may, subject to the provisions of s. 627 628 718.3026, and the approval of a majority of voting interests of 629 the condominium, install hurricane shutters, impact glass, or 630 other code-compliant windows or doors, or other types of code-631 compliant hurricane protection that comply complies with or 632 exceed exceeds the applicable building code. However, a vote of 633 the owners is not required if the maintenance, repair, and replacement of hurricane shutters, impact glass, or other code-634 635 compliant windows or doors, or other types of code-compliant 636 hurricane protection are the responsibility of the association pursuant to the declaration of condominium. If hurricane 637 638 protection or laminated glass or window film architecturally 639 designed to function as hurricane protection that which complies 640 with or exceeds the current applicable building code has been 641 previously installed, the board may not install hurricane 642 shutters, hurricane protection, or impact glass, or other codecompliant windows or doors, or other types of code-compliant 643 644 hurricane protection except upon approval by a majority vote of 645 the voting interests.

(b) The association is responsible for the maintenance,
repair, and replacement of the hurricane shutters, impact glass,
<u>code-compliant windows or doors</u>, or other <u>types of code-</u>
<u>compliant</u> hurricane protection authorized by this subsection if
such <u>property</u> hurricane shutters or other hurricane protection

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651 is the responsibility of the association pursuant to the 652 declaration of condominium. If the hurricane shutters, impact 653 glass, code-compliant windows or doors, or other types of code-654 compliant hurricane protection authorized by this subsection are 655 the responsibility of the unit owners pursuant to the 656 declaration of condominium, the maintenance, repair, and 657 replacement of such items are the responsibility of the unit 658 owner.

659 (c) The board may operate shutters, impact glass, code-660 compliant windows or doors, or other types of code-compliant 661 hurricane protection installed pursuant to this subsection 662 without permission of the unit owners only if such operation is 663 necessary to preserve and protect the condominium property and 664 association property. The installation, replacement, operation, 665 repair, and maintenance of such shutters, impact glass, code-666 compliant windows or doors, or other types of code-compliant 667 hurricane protection in accordance with the procedures set forth in this paragraph are not a material alteration to the common 668 669 elements or association property within the meaning of this 670 section.

(d) Notwithstanding any other provision in the condominium documents, if approval is required by the documents, a board may not refuse to approve the installation or replacement of hurricane shutters, impact glass, code-compliant windows or doors, or other types of code-compliant hurricane protection by a unit owner conforming to the specifications adopted by the board.

678 Section 6. Paragraph (e) of subsection (1) of section 679 718.115, Florida Statutes, is amended to read:

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680 718.115 Common expenses and common surplus.-

681

(1)

(e) The expense of installation, replacement, operation, 682 683 repair, and maintenance of hurricane shutters, impact glass, 684 code-compliant windows or doors, or other types of code-685 compliant hurricane protection by the board pursuant to s. 686 718.113(5) constitutes shall constitute a common expense as 687 defined herein and shall be collected as provided in this 688 section if the association is responsible for the maintenance, 689 repair, and replacement of the hurricane shutters, impact glass, 690 code-compliant windows or doors, or other types of code-691 compliant hurricane protection pursuant to the declaration of 692 condominium. However, if the maintenance, repair, and 693 replacement of the hurricane shutters, impact glass, code-694 compliant windows or doors, or other types of code-compliant 695 hurricane protection are is the responsibility of the unit 696 owners pursuant to the declaration of condominium, the cost of 697 the installation of the hurricane shutters, impact glass, code-698 compliant windows or doors, or other types of code-compliant 699 hurricane protection is shall not be a common expense and, but 700 shall be charged individually to the unit owners based on the cost of installation of the hurricane shutters, impact glass, 701 702 code-compliant windows or doors, or other types of code-703 compliant hurricane protection appurtenant to the unit. 704 Notwithstanding the provisions of s. 718.116(9), and regardless 705 of whether or not the declaration requires the association or 706 unit owners to maintain, repair, or replace hurricane shutters, 707 impact glass, code-compliant windows or doors, or other types of code-compliant hurricane protection, a unit owner who has 708

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709 previously installed hurricane shutters in accordance with s. 710 718.113(5) that comply with the current applicable building code shall receive a credit when the shutters are installed; a unit 711 712 owner who has previously installed impact glass or code-713 compliant windows or doors that comply with the current 714 applicable building code shall receive a credit when the impact 715 glass or code-compliant windows or doors are installed; and a 716 unit owner who has installed, other types of code-compliant 717 hurricane protection that comply with the current applicable building code shall receive a credit when the same type of other 718 719 code-compliant hurricane protection is installed, and the or 720 laminated glass architecturally designed to function as 721 hurricane protection, which hurricane shutters or other 722 hurricane protection or laminated glass comply with the current 723 applicable building code, shall receive a credit shall be equal 724 to the pro rata portion of the assessed installation cost 725 assigned to each unit. However, such unit owner remains shall 726 remain responsible for the pro rata share of expenses for 727 hurricane shutters, impact glass, code-compliant windows or 728 doors, or other types of code-compliant hurricane protection 729 installed on common elements and association property by the 730 board pursuant to s. 718.113(5) $_{\tau}$ and remains shall remain 731 responsible for a pro rata share of the expense of the replacement, operation, repair, and maintenance of such 732 733 shutters, impact glass, code-compliant windows or doors, or 734 other types of code-compliant hurricane protection. 735 Section 7. Paragraph (a) of subsection (3) of section 736 718.303, Florida Statutes, is amended to read: 737 718.303 Obligations of owners and occupants; remedies.-

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738 (3) The association may levy reasonable fines for the 739 failure of the owner of the unit or its occupant, licensee, or 740 invitee to comply with any provision of the declaration, the 741 association bylaws, or reasonable rules of the association. A 742 fine may not become a lien against a unit. A fine may be levied 743 on the basis of each day of a continuing violation, with a 744 single notice and opportunity for hearing. However, the fine may 745 not exceed \$100 per violation, or \$1,000 in the aggregate.

746 (a) An association may suspend, for a reasonable period of 747 time, the right of a unit owner, or a unit owner's tenant, 748 guest, or invitee, to use the common elements, common 749 facilities, or any other association property for failure to 750 comply with any provision of the declaration, the association 751 bylaws, or reasonable rules of the association. This paragraph 752 does not apply to limited common elements intended to be used 753 only by that unit, common elements needed to access the unit, 754 utility services provided to the unit, parking spaces, or 755 elevators.

756 Section 8. Subsection (1) of section 718.403, Florida757 Statutes, is amended to read:

758

718.403 Phase condominiums.-

759 (1) Notwithstanding the provisions of s. 718.110, a 760 developer may develop a condominium in phases, if the original 761 declaration of condominium submitting the initial phase to 762 condominium ownership or an amendment to the declaration which 763 has been approved by all of the unit owners and unit mortgagees 764 provides for and describes in detail all anticipated phases; the 765 impact, if any, which the completion of subsequent phases would 766 have upon the initial phase; and the time period (which may not

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767	exceed 7 years from the date of recording the declaration of
768	condominium) within which all phases must be added to the
769	condominium and comply with the requirements of this section and
770	at the end of which the right to add additional phases expires.
771	(a) All phases must be added to the condominium within 7
772	years after the date of recording the original declaration of
773	condominium submitting the initial phase to condominium
774	ownership unless an amendment extending the 7-year period is
775	approved by the unit owners.
776	(b) An amendment to extend the 7-year period requires the
777	approval of the owners necessary to amend the declaration of
778	condominium consistent with s. 718.110(1)(a). An extension of
779	the 7-year period may be submitted for approval only during the
780	last 3 years of the 7-year period.
781	(c) An amendment must describe the period within which all
782	phases must be added to the condominium and such period may not
783	exceed 10 years after the date of recording the original
784	declaration of condominium submitting the initial phase to
785	condominium ownership.
786	(d) Notwithstanding s. 718.110, an amendment extending the
787	7-year period is not an amendment subject to s. 718.110(4).
788	Section 9. Section 718.406, Florida Statutes, is created to
789	read:
790	718.406 Condominiums created within condominium parcels
791	(1) Unless otherwise expressed in the declaration of
792	condominium, if a condominium is created within a condominium
793	parcel, the term:
794	(a) "Primary condominium" means any condominium that is not
795	a secondary condominium and contains one or more subdivided

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796	parcels.
797	(b) "Primary condominium association" means any entity that
798	operates a primary condominium.
799	(c) "Primary condominium declaration" means the instrument
800	or instruments by which a primary condominium is created, as
801	they are from time to time amended.
802	(d) "Secondary condominium" means one or more condominium
803	parcels that have been submitted to condominium ownership
804	pursuant to a secondary condominium declaration.
805	(e) "Secondary condominium association" means any entity
806	responsible for the operation of a secondary condominium.
807	(f) "Secondary condominium declaration" means the
808	instrument or instruments by which a secondary condominium is
809	created, as they are from time to time amended.
810	(g) "Secondary unit" means a unit that is part of a
811	secondary condominium.
812	(h) "Subdivided parcel" means a condominium parcel in a
813	primary condominium that has been submitted to condominium
814	ownership pursuant to a secondary condominium declaration.
815	(2) Unless otherwise provided in the primary condominium
816	declaration, if a condominium parcel is a subdivided parcel, the
817	secondary condominium association responsible for operating the
818	secondary condominium upon the subdivided parcel shall act on
819	behalf of all of the unit owners of secondary units in the
820	secondary condominium and shall exercise all rights of the
821	secondary unit owners in the primary condominium association,
822	other than the right of possession of the secondary unit. The
823	secondary condominium association shall designate a
824	representative who shall cast the vote of the subdivided parcel

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825	in the primary condominium association and, if no person is
826	designated by the secondary condominium association to cast such
827	vote, the vote shall be cast by the president of the secondary
828	condominium association or the designee of the president.
829	(3) Unless otherwise provided in the primary condominium
830	declaration as originally recorded, no secondary condominium may
831	be created upon any condominium parcel in the primary
832	condominium, and no amendment to the primary condominium
833	declaration may permit secondary condominiums to be created upon
834	parcels in the primary condominium, unless the record owners of
835	a majority of the condominium parcels join in the execution of
836	the amendment.
837	(4) If the primary condominium declaration permits the
838	creation of a secondary condominium and a condominium parcel in
839	the primary condominium is being submitted for condominium
840	ownership to create a secondary condominium upon the primary
841	condominium parcel, the approval of the board of administration
842	of the primary condominium association is required in order to
843	create the secondary condominium on the primary condominium
844	parcel. Unless otherwise provided in the primary condominium
845	declaration, the owners of condominium parcels in the primary
846	condominium that will not be part of the proposed secondary
847	condominium and the holders of liens upon such primary
848	condominium parcels shall not have approval rights regarding the
849	creation of the secondary condominium or the contents of the
850	secondary condominium declaration being submitted. Only the
851	board of administration of the primary condominium association,
852	the owner of the subdivided parcel, and the holders of liens
853	upon the subdivided parcel shall have approval rights regarding
I	

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854	the creation of the secondary condominium and the contents of
855	the secondary condominium declaration. In order for the
856	recording of the secondary condominium declaration to be
857	effective to create the secondary condominium, the board of
858	administration of the primary condominium association, the owner
859	of the subdivided parcel, and all holders of liens on the
860	subdivided parcel must execute the secondary condominium
861	declaration for the purpose of evidencing their approval.
862	(5) An owner of a secondary unit is subject to both the
863	primary condominium declaration and the secondary condominium
864	declaration.
865	(6) The primary condominium association may provide
866	insurance required by s. 718.111(11) for common elements and
867	other improvements within the secondary condominium if the
868	primary condominium declaration permits the primary condominium
869	association to provide such insurance for the benefit of the
870	condominium property included in the subdivided parcel, in lieu
871	of such insurance being provided by the secondary condominium
872	association.
873	(7) Unless otherwise provided in the primary condominium
874	declaration, the board of administration of the primary
875	condominium association may adopt hurricane shutter or hurricane
876	protection specifications for each building within which
877	subdivided parcels are located and govern any subdivided parcels
878	in the primary condominium.
879	(8) Any unit owner of, or holder of a first mortgage on, a
880	secondary unit may register such unit owner's or mortgagee's
881	interest in the secondary unit with the primary condominium
882	association by delivering written notice to the primary

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883 condominium association. Once registered, the primary 884 condominium association must provide written notice to such 885 secondary unit owner and his, her, or its first mortgagee at 886 least 30 days before instituting any foreclosure action against 887 the subdivided parcel in which the secondary unit owner and his, 888 her, or its first mortgagee hold an interest for failure of the 889 subdivided parcel owner to pay any assessments or other amounts 890 due to the primary condominium association. A foreclosure action 891 against a subdivided parcel is not effective without an 892 affidavit indicating that written notice of the foreclosure was 893 timely sent to the names and addresses of secondary unit owners 894 and first mortgagees registered with the primary condominium 895 association pursuant to this subsection. The registered 896 secondary unit owner or mortgagee has a right to pay the 897 proportionate amount of the delinquent assessment attributable 898 to the secondary unit in which the registered unit owner or 899 mortgagee holds an interest. Upon such payment, the primary 900 condominium association is obligated to promptly modify or 901 partially release the record of lien on the primary condominium 902 association so that the lien no longer encumbers such secondary 903 unit. Alternatively, a registered secondary unit owner or 904 mortgagee may pay the amount of all delinguent assessments 905 attributed to the subdivided parcel and seek reimbursement for 906 all such amounts paid and all costs incurred from the secondary 907 condominium association, including, without limitation, the 908 costs of collection other than the share allocable to the 909 secondary unit on behalf of which such payment was made. 910 (9) In the event of a conflict between the primary condominium declaration and the secondary condominium 911

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912 declaration, the primary condominium declaration controls. 913 (10) All common expenses due to the primary condominium 914 association with respect to a subdivided parcel are a common 915 expense of the secondary condominium association and shall be 916 collected by the secondary condominium association from its 917 members and paid to the primary condominium association. Section 10. Subsection (2) of section 718.5011, Florida 918 919 Statutes, is amended to read: 920 718.5011 Ombudsman; appointment; administration.-921 (2) The Governor shall appoint the ombudsman. The ombudsman 922 must be an attorney admitted to practice before the Florida 923 Supreme Court and shall serve at the pleasure of the Governor. A 924 vacancy in the office shall be filled in the same manner as the 925 original appointment. An officer or full-time employee of the 926 ombudsman's office may not actively engage in any other business 927 or profession that directly or indirectly relates to or 928 conflicts with his or her work in the ombudsman's office; serve 929 as the representative of any political party, executive 930 committee, or other governing body of a political party; serve 931 as an executive, officer, or employee of a political party; 932 receive remuneration for activities on behalf of any candidate 933 for public office; or engage in soliciting votes or other 934 activities on behalf of a candidate for public office. The 935 ombudsman or any employee of his or her office may not become a 936 candidate for election to public office unless he or she first resigns from his or her office or employment. 937 938

938 Section 11. Paragraphs (b) and (c) of subsection (2) of 939 section 719.104, Florida Statutes, are amended to read: 940 719.104 Cooperatives; access to units; records; financial

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941 reports; assessments; purchase of leases.-

942

(2) OFFICIAL RECORDS.-

(b) The official records of the association shall be 943 maintained within the state. The records of the association 944 945 shall be made available to a unit owner within 5 working days 946 after receipt of written request by the board or its designee. 947 This paragraph may be complied with by having a copy of the 948 official records available for inspection or copying on the 949 cooperative property. An association shall allow a member or his 950 or her authorized representative to use a portable device, 951 including a smartphone, tablet, portable scanner, or any other 952 technology capable of scanning or taking photographs, to make an 953 electronic copy of the official records in lieu of the 954 association's providing the member or his or her authorized 955 representative with a copy of such records. The association may 956 not charge a member or his or her authorized representative for 957 the use of a portable device.

958 (c) The official records of the association shall be open 959 to inspection by any association member or the authorized 960 representative of such member at all reasonable times. Failure 961 to permit inspection of the association records as provided in 962 this subsection herein entitles any person prevailing in an 963 enforcement action to recover reasonable attorney attorney's 964 fees from the person in control of the records who, directly or 965 indirectly, knowingly denies access to the records for 966 inspection. The right to inspect the records includes the right 967 to make or obtain copies, at the reasonable expense, if any, of 968 the association member. The association may adopt reasonable 969 rules regarding the frequency, time, location, notice, and

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970 manner of record inspections and copying. The failure of an 971 association to provide the records within 10 working days after 972 receipt of a written request creates a rebuttable presumption 973 that the association willfully failed to comply with this 974 paragraph. A unit owner who is denied access to official records 975 is entitled to the actual damages or minimum damages for the 976 association's willful failure to comply with this paragraph. The 977 minimum damages shall be \$50 per calendar day up to 10 days, the 978 calculation to begin on the 11th day after receipt of the 979 written request. The association shall maintain an adequate 980 number of copies of the declaration, articles of incorporation, 981 bylaws, and rules, and all amendments to each of the foregoing, 982 as well as the question and answer sheet provided for in s. 983 719.504, on the cooperative property to ensure their 984 availability to unit owners and prospective purchasers, and may 985 charge its actual costs for preparing and furnishing these 986 documents to those requesting the same. Notwithstanding the 987 provisions of this paragraph, the following records shall not be 988 accessible to unit owners:

989 1. Any record protected by the lawyer-client privilege as 990 provided in s. 90.502; protected by the work-product privilege, 991 including any record A record that was prepared by an 992 association attorney or prepared at the attorney's express 993 direction; reflecting that reflects a mental impression, 994 conclusion, litigation strategy, or legal theory of the attorney 995 or the association; or that was prepared exclusively for civil 996 or criminal litigation or for adversarial administrative 997 proceedings or in anticipation of imminent civil or criminal 998 litigation or imminent adversarial administrative proceedings,

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COMMITTEE AMENDMENT

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999	until the conclusion of the litigation or adversarial
1000	administrative proceedings.
1001	2. Information obtained by an association in connection
1002	with the approval of the lease, sale, or other transfer of a
1003	unit.
1004	3. Medical records of unit owners.
1005	4. Personnel records of association employees, including,
1006	but not limited to, disciplinary, payroll, health, and insurance
1007	records. For purposes of this subparagraph, the term "personnel
1008	records" does not include written employment agreements with an
1009	association employee or budgetary or financial records that
1010	indicate the compensation paid to an association employee.
1011	5. Social security numbers, driver license numbers, credit
1012	card numbers, e-mail addresses, telephone numbers, emergency
1013	contact information, any addresses of a unit owner other than
1014	addresses provided to fulfill the association's notice
1015	requirements, and other personal identifying information of any
1016	person, excluding the person's name, unit designation, mailing
1017	address, and property address.
1018	6. Any electronic security measures that are used by the
1019	association to safeguard data, including passwords.
1020	7. The software and operating system used by the
1021	association which allows manipulation of data, even if the owner
1022	owns a copy of the same software used by the association. The
1023	data is part of the official records of the association.
1024	Section 12. Subsection (7) is added to section 719.1055,
1025	Florida Statutes, to read:
1026	719.1055 Amendment of cooperative documents; alteration and
1027	acquisition of property

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1028	(7) The Legislature finds that the procurement of mortgagee
1029	consent to amendments that do not affect the rights or interests
1030	of mortgagees is an unreasonable and substantial logistical and
1031	financial burden on the unit owners and that there is a
1032	compelling state interest in enabling the members of an
1033	association to approve amendments to the association's
1034	cooperative documents through legal means. Accordingly, and
1035	notwithstanding any provision of this subsection to the
1036	contrary:
1037	(a) As to any mortgage recorded on or after July 1, 2013,
1038	any provision in the association's cooperative documents that
1039	requires the consent or joinder of some or all mortgagees of
1040	units or any other portion of the association's common areas to
1041	amend the association's cooperative documents or for any other
1042	matter is enforceable only as to amendments to the association's
1043	cooperative documents that adversely affect the priority of the
1044	mortgagee's lien or the mortgagee's rights to foreclose its lien
1045	or that otherwise materially affect the rights and interests of
1046	the mortgagees.
1047	(b) As to mortgages recorded before July 1, 2013, any
1048	existing provisions in the association's cooperative documents
1049	requiring mortgagee consent are enforceable.
1050	(c) In securing consent or joinder, the association is
1051	entitled to rely upon the public records to identify the holders
1052	of outstanding mortgages. The association may use the address
1053	provided in the original recorded mortgage document, unless
1054	there is a different address for the holder of the mortgage in a
1055	recorded assignment or modification of the mortgage, which
1056	recorded assignment or modification must reference the official
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1057 records book and page on which the original mortgage was 1058 recorded. Once the association has identified the recorded 1059 mortgages of record, the association shall, in writing, request 1060 of each unit owner whose unit is encumbered by a mortgage of 1061 record any information that the owner has in his or her 1062 possession regarding the name and address of the person to whom mortgage payments are currently being made. Notice shall be sent 1063 1064 to such person if the address provided in the original recorded 1065 mortgage document is different from the name and address of the 1066 mortgagee or assignee of the mortgage as shown by the public 1067 record. The association is deemed to have complied with this 1068 requirement by making the written request of the unit owners required under this paragraph. Any notices required to be sent 1069 1070 to the mortgagees under this paragraph shall be sent to all 1071 available addresses provided to the association.

(d) Any notice to the mortgagees required under paragraph (c) may be sent by a method that establishes proof of delivery, and any mortgagee who fails to respond within 60 days after the date of mailing is deemed to have consented to the amendment.

(e) For those amendments requiring mortgagee consent on or after July 1, 2013, in the event mortgagee consent is provided other than by properly recorded joinder, such consent shall be evidenced by affidavit of the association recorded in the public records of the county in which the declaration is recorded.

(f) Any amendment adopted without the required consent of a mortgagee is voidable only by a mortgagee who was entitled to notice and an opportunity to consent. An action to void an amendment is subject to the statute of limitations beginning 5 years after the date of discovery as to the amendments described

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1086 in paragraph (a) and 5 years after the date of recordation of 1087 the certificate of amendment for all other amendments. This 1088 paragraph applies to all mortgages, regardless of the date of 1089 recordation of the mortgage.

1090Section 13. Paragraphs (c), (d), and (f) of subsection (1)1091of section 719.106, Florida Statutes, are amended to read:

1092

719.106 Bylaws; cooperative ownership.-

1093 (1) MANDATORY PROVISIONS.—The bylaws or other cooperative 1094 documents shall provide for the following, and if they do not, 1095 they shall be deemed to include the following:

1096 (c) Board of administration meetings.-Meetings of the board 1097 of administration at which a quorum of the members is present 1098 shall be open to all unit owners. Any unit owner may tape record 1099 or videotape meetings of the board of administration. The right to attend such meetings includes the right to speak at such 1100 1101 meetings with reference to all designated agenda items. The 1102 division shall adopt reasonable rules governing the tape recording and videotaping of the meeting. The association may 1103 1104 adopt reasonable written rules governing the frequency, 1105 duration, and manner of unit owner statements. Adequate notice 1106 of all meetings shall be posted in a conspicuous place upon the 1107 cooperative property at least 48 continuous hours preceding the meeting, except in an emergency. Any item not included on the 1108 1109 notice may be taken up on an emergency basis by at least a 1110 majority plus one of the members of the board. Such emergency 1111 action shall be noticed and ratified at the next regular meeting 1112 of the board. However, written notice of any meeting at which 1113 nonemergency special assessments, or at which amendment to rules 1114 regarding unit use, will be considered shall be mailed,

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1115 delivered, or electronically transmitted to the unit owners and 1116 posted conspicuously on the cooperative property not less than 1117 14 days before prior to the meeting. Evidence of compliance with this 14-day notice shall be made by an affidavit executed by the 1118 1119 person providing the notice and filed among the official records 1120 of the association. Upon notice to the unit owners, the board 1121 shall by duly adopted rule designate a specific location on the 1122 cooperative property upon which all notices of board meetings 1123 shall be posted. In lieu of or in addition to the physical 1124 posting of notice of any meeting of the board of administration 1125 on the cooperative property, the association may, by reasonable 1126 rule, adopt a procedure for conspicuously posting and repeatedly 1127 broadcasting the notice and the agenda on a closed-circuit cable 1128 television system serving the cooperative association. However, if broadcast notice is used in lieu of a notice posted 1129 physically on the cooperative property, the notice and agenda 1130 1131 must be broadcast at least four times every broadcast hour of 1132 each day that a posted notice is otherwise required under this 1133 section. When broadcast notice is provided, the notice and 1134 agenda must be broadcast in a manner and for a sufficient 1135 continuous length of time so as to allow an average reader to 1136 observe the notice and read and comprehend the entire content of 1137 the notice and the agenda. Notice of any meeting in which 11.38 regular assessments against unit owners are to be considered for 1139 any reason shall specifically contain a statement that 1140 assessments will be considered and the nature of any such 1141 assessments. Meetings of a committee to take final action on behalf of the board or to make recommendations to the board 1142 1143 regarding the association budget are subject to the provisions

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1144 of this paragraph. Meetings of a committee that does not take 1145 final action on behalf of the board or make recommendations to 1146 the board regarding the association budget are subject to the provisions of this section, unless those meetings are exempted 1147 1148 from this section by the bylaws of the association. 1149 Notwithstanding any other law to the contrary, the requirement 1150 that board meetings and committee meetings be open to the unit 1151 owners does not apply is inapplicable to board or committee 1152 meetings held for the purpose of discussing personnel matters or 1153 meetings between the board or a committee and the association's 1154 attorney, with respect to proposed or pending litigation, if 1155 when the meeting is held for the purpose of seeking or rendering 1156 legal advice.

1157 (d) Shareholder meetings.-There shall be an annual meeting of the shareholders. All members of the board of administration 1158 shall be elected at the annual meeting unless the bylaws provide 1159 1160 for staggered election terms or for their election at another meeting. Any unit owner desiring to be a candidate for board 1161 1162 membership must comply with subparagraph 1. The bylaws must 1163 provide the method for calling meetings, including annual 1164 meetings. Written notice, which must incorporate an identification of agenda items, shall be given to each unit 1165 owner at least 14 days before the annual meeting and posted in a 1166 1167 conspicuous place on the cooperative property at least 14 1168 continuous days preceding the annual meeting. Upon notice to the 1169 unit owners, the board must by duly adopted rule designate a 1170 specific location on the cooperative property upon which all 1171 notice of unit owner meetings are posted. In lieu of or in 1172 addition to the physical posting of the meeting notice, the

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1173 association may, by reasonable rule, adopt a procedure for 1174 conspicuously posting and repeatedly broadcasting the notice and 1175 the agenda on a closed-circuit cable television system serving 1176 the cooperative association. However, if broadcast notice is 1177 used in lieu of a posted notice, the notice and agenda must be 1178 broadcast at least four times every broadcast hour of each day 1179 that a posted notice is otherwise required under this section. 1180 If broadcast notice is provided, the notice and agenda must be 1181 broadcast in a manner and for a sufficient continuous length of 1182 time to allow an average reader to observe the notice and read 1183 and comprehend the entire content of the notice and the agenda. 1184 Unless a unit owner waives in writing the right to receive 1185 notice of the annual meeting, the notice of the annual meeting 1186 must be sent by mail, hand delivered, or electronically transmitted to each unit owner. An officer of the association 1187 1188 must provide an affidavit or United States Postal Service 1189 certificate of mailing, to be included in the official records 1190 of the association, affirming that notices of the association 1191 meeting were mailed, hand delivered, or electronically 1192 transmitted, in accordance with this provision, to each unit 1193 owner at the address last furnished to the association.

1194 1. The board of administration shall be elected by written 1195 ballot or voting machine. A proxy may not be used in electing 1196 the board of administration in general elections or elections to 1197 fill vacancies caused by recall, resignation, or otherwise 1198 unless otherwise provided in this chapter.

1199 <u>a.</u> At least 60 days before a scheduled election, the 1200 association shall mail, deliver, or transmit, whether by 1201 separate association mailing, delivery, or electronic

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1202 transmission or included in another association mailing, 1203 delivery, or electronic transmission, including regularly 1204 published newsletters, to each unit owner entitled to vote, a 1205 first notice of the date of the election. Any unit owner or 1206 other eligible person desiring to be a candidate for the board 1207 of administration must give written notice to the association at 1208 least 40 days before a scheduled election. Together with the 1209 written notice and agenda as set forth in this section, the 1210 association shall mail, deliver, or electronically transmit a 1211 second notice of election to all unit owners entitled to vote, 1212 together with a ballot that which lists all candidates. Upon 1213 request of a candidate, the association shall include an 1214 information sheet, no larger than 81/2 inches by 11 inches, 1215 which must be furnished by the candidate at least 35 days before 1216 the election, to be included with the mailing, delivery, or 1217 electronic transmission of the ballot, with the costs of 1218 mailing, delivery, or transmission and copying to be borne by 1219 the association. The association is not liable for the contents 1220 of the information sheets provided by the candidates. In order 1221 to reduce costs, the association may print or duplicate the 1222 information sheets on both sides of the paper. The division 1223 shall by rule establish voting procedures consistent with this 1224 subparagraph, including rules establishing procedures for giving 1225 notice by electronic transmission and rules providing for the 1226 secrecy of ballots. Elections shall be decided by a plurality of 1227 those ballots cast. There is no quorum requirement. However, at 1228 least 20 percent of the eligible voters must cast a ballot in 1229 order to have a valid election. A unit owner may not permit any 1230 other person to vote his or her ballot, and any such ballots

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1231 improperly cast are invalid. A unit owner who needs assistance 1232 in casting the ballot for the reasons stated in s. 101.051 may 1233 obtain assistance in casting the ballot. Any unit owner 1234 violating this provision may be fined by the association in accordance with s. 719.303. The regular election must occur on 1235 1236 the date of the annual meeting. This subparagraph does not apply 1237 to timeshare cooperatives. Notwithstanding this subparagraph, an 1238 election and balloting are not required unless more candidates 1239 file a notice of intent to run or are nominated than vacancies 1240 exist on the board. Any challenge to the election process must 1241 be commenced within 60 days after the election results are 1242 announced.

1243 b. Within 90 days after being elected or appointed to the 1244 board, each new director shall certify in writing to the 1245 secretary of the association that he or she has read the 1246 association's bylaws, articles of incorporation, proprietary 1247 lease, and current written policies; that he or she will work to 1248 uphold such documents and policies to the best of his or her 1249 ability; and that he or she will faithfully discharge his or her 1250 fiduciary responsibility to the association's members. Within 90 1251 days after being elected or appointed to the board, in lieu of 1252 this written certification, the newly elected or appointed 1253 director may submit a certificate of having satisfactorily 1254 completed the educational curriculum administered by an 1255 education provider as approved by the division pursuant to the 1256 requirements established in chapter 718 within 1 year before or 1257 90 days after the date of election or appointment. The 1258 educational certificate is valid and does not have to be 1259 resubmitted as long as the director serves on the board without

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1260 interruption. A director who fails to timely file the written 1261 certification or educational certificate is suspended from 1262 service on the board until he or she complies with this sub-1263 subparagraph. The board may temporarily fill the vacancy during 1264 the period of suspension. The secretary of the association shall 1265 cause the association to retain a director's written 1266 certification or educational certificate for inspection by the 1267 members for 5 years after a director's election or the duration 1268 of the director's uninterrupted tenure, whichever is longer. Failure to have such written certification or educational 1269 1270 certificate on file does not affect the validity of any board 1271 action.

1272 2. Any approval by unit owners called for by this chapter, 1273 or the applicable cooperative documents, must be made at a duly 1274 noticed meeting of unit owners and is subject to this chapter or 1275 the applicable cooperative documents relating to unit owner 1276 decisionmaking, except that unit owners may take action by 1277 written agreement, without meetings, on matters for which action 1278 by written agreement without meetings is expressly allowed by 1279 the applicable cooperative documents or law which provides for 1280 the unit owner action.

1281 3. Unit owners may waive notice of specific meetings if 1282 allowed by the applicable cooperative documents or law. If 1283 authorized by the bylaws, notice of meetings of the board of 1284 administration, shareholder meetings, except shareholder 1285 meetings called to recall board members under paragraph (f), and committee meetings may be given by electronic transmission to 1286 1287 unit owners who consent to receive notice by electronic 1288 transmission.

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1289 4. Unit owners have the right to participate in meetings of
1290 unit owners with reference to all designated agenda items.
1291 However, the association may adopt reasonable rules governing
1292 the frequency, duration, and manner of unit owner participation.

1293 5. Any unit owner may tape record or videotape meetings of 1294 the unit owners subject to reasonable rules adopted by the 1295 division.

1296 6. Unless otherwise provided in the bylaws, a vacancy 1297 occurring on the board before the expiration of a term may be 1298 filled by the affirmative vote of the majority of the remaining 1299 directors, even if the remaining directors constitute less than 1300 a quorum, or by the sole remaining director. In the alternative, a board may hold an election to fill the vacancy, in which case 1301 1302 the election procedures must conform to the requirements of 1303 subparagraph 1. unless the association has opted out of the 1304 statutory election process, in which case the bylaws of the 1305 association control. Unless otherwise provided in the bylaws, a 1306 board member appointed or elected under this subparagraph shall 1307 fill the vacancy for the unexpired term of the seat being 1308 filled. Filling vacancies created by recall is governed by 1309 paragraph (f) and rules adopted by the division.

Notwithstanding subparagraphs (b)2. and (d)1., an association may, by the affirmative vote of a majority of the total voting interests, provide for a different voting and election procedure in its bylaws, which vote may be by a proxy specifically delineating the different voting and election procedures. The different voting and election procedures may provide for elections to be conducted by limited or general proxy.

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1310



1318 (f) Recall of board members.-Subject to the provisions of s. 719.301, any member of the board of administration may be 1319 1320 recalled and removed from office with or without cause by the 1321 vote or agreement in writing by a majority of all the voting 1322 interests. A special meeting of the voting interests to recall 1323 any member of the board of administration may be called by 10 1324 percent of the unit owners giving notice of the meeting as 1325 required for a meeting of unit owners, and the notice shall 1326 state the purpose of the meeting. Electronic transmission may 1327 not be used as a method of giving notice of a meeting called in 1328 whole or in part for this purpose.

1329 1. If the recall is approved by a majority of all voting interests by a vote at a meeting, the recall shall be effective 1330 1331 as provided in this paragraph herein. The board shall duly 1332 notice and hold a board meeting within 5 full business days 1333 after of the adjournment of the unit owner meeting to recall one or more board members. At the meeting, the board shall either 1334 1335 certify the recall, in which case such member or members shall 1336 be recalled effective immediately and shall turn over to the 1337 board within 5 full business days any and all records and 1338 property of the association in their possession, or shall 1339 proceed as set forth in subparagraph 3.

2. If the proposed recall is by an agreement in writing by a majority of all voting interests, the agreement in writing or a copy thereof shall be served on the association by certified mail or by personal service in the manner authorized by chapter 48 and the Florida Rules of Civil Procedure. The board of administration shall duly notice and hold a meeting of the board within 5 full business days after receipt of the agreement in

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1347 writing. At the meeting, the board shall either certify the 1348 written agreement to recall members of the board, in which case 1349 such members shall be recalled effective immediately and shall 1350 turn over to the board, within 5 full business days, any and all 1351 records and property of the association in their possession, or 1352 proceed as described in subparagraph 3.

1353 3. If the board determines not to certify the written 1354 agreement to recall members of the board, or does not certify 1355 the recall by a vote at a meeting, the board shall, within 5 1356 full business days after the board meeting, file with the 1357 division a petition for binding arbitration pursuant to the 1358 procedures of s. 719.1255. For purposes of this paragraph, the 1359 unit owners who voted at the meeting or who executed the 1360 agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall 1361 1362 as to any member of the board, the recall shall be effective 1363 upon mailing of the final order of arbitration to the association. If the association fails to comply with the order 1364 1365 of the arbitrator, the division may take action pursuant to s. 1366 719.501. Any member so recalled shall deliver to the board any 1367 and all records and property of the association in the member's 1368 possession within 5 full business days after of the effective 1369 date of the recall.

1370 4. If the board fails to duly notice and hold a board 1371 meeting within 5 full business days <u>after</u> of service of an 1372 agreement in writing or within 5 full business days <u>after</u> of the 1373 adjournment of the unit owner recall meeting, the recall shall 1374 be deemed effective and the board members so recalled shall 1375 immediately turn over to the board any and all records and

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1376 property of the association.

1377 5. If the board fails to duly notice and hold the required meeting or fails to file the required petition, the unit owner 1378 1379 representative may file a petition pursuant to s. 719.1255 1380 challenging the board's failure to act. The petition must be 1381 filed within 60 days after the expiration of the applicable 5-1382 full-business-day period. The review of a petition under this 1383 subparagraph is limited to the sufficiency of service on the 1384 board and the facial validity of the written agreement or 1385 ballots filed.

1386 6.5. If a vacancy occurs on the board as a result of a 1387 recall and less than a majority of the board members are removed, the vacancy may be filled by the affirmative vote of a 1388 1389 majority of the remaining directors, notwithstanding any 1390 provision to the contrary contained in this chapter. If 1391 vacancies occur on the board as a result of a recall and a 1392 majority or more of the board members are removed, the vacancies 1393 shall be filled in accordance with procedural rules to be 1394 adopted by the division, which rules need not be consistent with this chapter. The rules must provide procedures governing the 1395 1396 conduct of the recall election as well as the operation of the 1397 association during the period after a recall but before prior to 1398 the recall election.

1399 7. A board member who has been recalled may file a petition 1400 pursuant to s. 719.1255 challenging the validity of the recall. 1401 The petition must be filed within 60 days after the recall is 1402 deemed certified. The association and the unit owner 1403 representative shall be named as the respondents. 1404 8. The division may not accept for filing a recall

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1405	petition, whether filed pursuant to subparagraph 1.,
1406	subparagraph 2., subparagraph 5., or subparagraph 7. and
1407	regardless of whether the recall was certified, when there are
1408	60 or fewer days until the scheduled reelection of the board
1409	member sought to be recalled or when 60 or fewer days have not
1410	elapsed since the election of the board member sought to be
1411	recalled.
1412	Section 14. Paragraph (a) of subsection (3) of section
1413	719.303, Florida Statutes, is amended to read:
1414	719.303 Obligations of owners
1415	(3) The association may levy reasonable fines for failure
1416	of the unit owner or the unit's occupant, licensee, or invitee
1417	to comply with any provision of the cooperative documents or
1418	reasonable rules of the association. A fine may not become a
1419	lien against a unit. A fine may be levied on the basis of each
1420	day of a continuing violation, with a single notice and
1421	opportunity for hearing. However, the fine may not exceed \$100
1422	per violation, or \$1,000 in the aggregate.
1423	(a) An association may suspend, for a reasonable period of
1424	time, the right of a unit owner, or a unit owner's tenant,
1425	guest, or invitee, to use the common elements, common
1426	facilities, or any other association property for failure to
1427	comply with any provision of the cooperative documents or
1428	reasonable rules of the association. This paragraph does not
1429	apply to limited common elements intended to be used only by
1430	that unit, common elements needed to access the unit, utility
1431	services provided to the unit, parking spaces, or elevators.
1432	Section 15. Paragraph (k) of subsection (1) of section
1433	719.501, Florida Statutes, is amended to read:
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1434

719.501 Powers and duties of Division of Florida Condominiums, Timeshares, and Mobile Homes.-1435

1436 (1) The Division of Florida Condominiums, Timeshares, and 1437 Mobile Homes of the Department of Business and Professional 1438 Regulation, referred to as the "division" in this part, in 1439 addition to other powers and duties prescribed by chapter 718, 1440 has the power to enforce and ensure compliance with this chapter 1441 and adopted rules relating to the development, construction, 1442 sale, lease, ownership, operation, and management of residential 1443 cooperative units. In performing its duties, the division shall 1444 have the following powers and duties:

1445 (k) The division shall provide training and educational 1446 programs for cooperative association board members and unit 1447 owners. The training may, in the division's discretion, include 1448 web-based electronic media, and live training and seminars in 1449 various locations throughout the state. The division may review 1450 and approve education and training programs for board members 1451 and unit owners offered by providers and shall maintain a 1452 current list of approved programs and providers and make such 1453 list available to board members and unit owners in a reasonable 1454 and cost-effective manner.

Section 16. Subsection (5), paragraphs (a) and (b) of 1455 1456 subsection (7), and subsection (10) of section 720.303, Florida 1457 Statutes, are amended to read:

1458 720.303 Association powers and duties; meetings of board; 1459 official records; budgets; financial reporting; association 1460 funds; recalls.-

(5) INSPECTION AND COPYING OF RECORDS.-The official records 1461 1462 shall be maintained within the state and must be open to



1463 inspection and available for photocopying by members or their 1464 authorized agents at reasonable times and places within 10 1465 business days after receipt of a written request for access. 1466 This subsection may be complied with by having a copy of the 1467 official records available for inspection or copying in the 1468 community. If the association has a photocopy machine available where the records are maintained, it must provide parcel owners 1469 1470 with copies on request during the inspection if the entire 1471 request is limited to no more than 25 pages. An association 1472 shall allow a member or his or her authorized representative to 1473 use a portable device, including a smartphone, tablet, portable 1474 scanner, or any other technology capable of scanning or taking 1475 photographs, to make an electronic copy of the official records 1476 in lieu of the association's providing the member or his or her 1477 authorized representative with a copy of such records. The 1478 association may not charge a member or his or her authorized 1479 representative for the use of a portable device.

(a) The failure of an association to provide access to the
records within 10 business days after receipt of a written
request submitted by certified mail, return receipt requested,
creates a rebuttable presumption that the association willfully
failed to comply with this subsection.

(b) A member who is denied access to official records is entitled to the actual damages or minimum damages for the association's willful failure to comply with this subsection. The minimum damages are to be \$50 per calendar day up to 10 days, the calculation to begin on the 11th business day after receipt of the written request.

1491

(c) The association may adopt reasonable written rules



1492 governing the frequency, time, location, notice, records to be 1493 inspected, and manner of inspections, but may not require a 1494 parcel owner to demonstrate any proper purpose for the 1495 inspection, state any reason for the inspection, or limit a 1496 parcel owner's right to inspect records to less than one 8-hour 1497 business day per month. The association may impose fees to cover 1498 the costs of providing copies of the official records, 1499 including, without limitation, the costs of copying. The 1500 association may charge up to 50 cents per page for copies made 1501 on the association's photocopier. If the association does not 1502 have a photocopy machine available where the records are kept, 1503 or if the records requested to be copied exceed 25 pages in 1504 length, the association may have copies made by an outside 1505 vendor or association management company personnel and may 1506 charge the actual cost of copying, including any reasonable 1507 costs involving personnel fees and charges at an hourly rate for 1508 vendor or employee time to cover administrative costs to the 1509 vendor or association. The association shall maintain an 1510 adequate number of copies of the recorded governing documents, 1511 to ensure their availability to members and prospective members. 1512 Notwithstanding this paragraph, the following records are not 1513 accessible to members or parcel owners:

1514 1. Any record protected by the lawyer-client privilege as 1515 described in s. 90.502 and any record protected by the work-1516 product privilege, including, but not limited to, a record 1517 prepared by an association attorney or prepared at the 1518 attorney's express direction which reflects a mental impression, 1519 conclusion, litigation strategy, or legal theory of the attorney 1520 or the association and which was prepared exclusively for civil

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1521 or criminal litigation or for adversarial administrative 1522 proceedings or which was prepared in anticipation of such 1523 litigation or proceedings until the conclusion of the litigation 1524 or proceedings.

1525 2. Information obtained by an association in connection 1526 with the approval of the lease, sale, or other transfer of a 1527 parcel.

1528 3. Personnel records of association or management company 1529 the association's employees, including, but not limited to, 1530 disciplinary, payroll, health, and insurance records. For 1531 purposes of this subparagraph, the term "personnel records" does 1532 not include written employment agreements with an association or 1533 management company employee or budgetary or financial records 1534 that indicate the compensation paid to an association or 1535 management company employee.

1536

Medical records of parcel owners or community residents.
 Social security numbers, driver driver's license

1537 numbers, credit card numbers, electronic mailing addresses, 1538 1539 telephone numbers, facsimile numbers, emergency contact 1540 information, any addresses for a parcel owner other than as 1541 provided for association notice requirements, and other personal 1542 identifying information of any person, excluding the person's 1543 name, parcel designation, mailing address, and property address. 1544 However, an owner may consent in writing to the disclosure of 1545 protected information described in this subparagraph. The 1546 association is not liable for the disclosure of information that 1547 is protected under this subparagraph if the information is included in an official record of the association and is 1548 1549 voluntarily provided by an owner and not requested by the

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1550 association.

1551 6. Any electronic security measure that is used by the 1552 association to safeguard data, including passwords.

1553 7. The software and operating system used by the 1554 association which allows the manipulation of data, even if the 1555 owner owns a copy of the same software used by the association. 1556 The data is part of the official records of the association.

1557 (d) The association or its authorized agent is not required 1558 to provide a prospective purchaser or lienholder with 1559 information about the residential subdivision or the association 1560 other than information or documents required by this chapter to 1561 be made available or disclosed. The association or its 1562 authorized agent may charge a reasonable fee to the prospective 1563 purchaser or lienholder or the current parcel owner or member 1564 for providing good faith responses to requests for information by or on behalf of a prospective purchaser or lienholder, other 1565 than that required by law, if the fee does not exceed \$150 plus 1566 the reasonable cost of photocopying and any attorney attorney's 1567 1568 fees incurred by the association in connection with the 1569 response.

1570 (7) FINANCIAL REPORTING.-Within 90 days after the end of 1571 the fiscal year, or annually on the date provided in the bylaws, 1572 the association shall prepare and complete, or contract with a 1573 third party for the preparation and completion of, a financial 1574 report for the preceding fiscal year. Within 21 days after the 1575 final financial report is completed by the association or 1576 received from the third party, but not later than 120 days after 1577 the end of the fiscal year or other date as provided in the 1578 bylaws, the association shall, within the time limits set forth

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1579 in subsection (5), provide each member with a copy of the annual 1580 financial report or a written notice that a copy of the 1581 financial report is available upon request at no charge to the 1582 member. Financial reports shall be prepared as follows:

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

1589 1. An association with total annual revenues of \$200,000 1590 \$100,000 or more, but less than \$300,000 \$200,000, shall prepare 1591 compiled financial statements.

1592 2. An association with total annual revenues of at least 1593 <u>\$300,000</u> \$200,000, but less than <u>\$500,000</u> \$400,000, shall 1594 prepare reviewed financial statements.

1595 3. An association with total annual revenues of \$500,000
 1596 \$400,000 or more shall prepare audited financial statements.

1597 (b)1. An association with total annual revenues of less 1598 than <u>\$200,000</u> \$100,000 shall prepare a report of cash receipts 1599 and expenditures.

1600 2. An association in a community of fewer than 50 parcels, 1601 regardless of the association's annual revenues, may prepare a 1602 report of cash receipts and expenditures in lieu of financial 1603 statements required by paragraph (a) unless the governing 1604 documents provide otherwise.

1605 3. A report of cash receipts and disbursement must disclose
1606 the amount of receipts by accounts and receipt classifications
1607 and the amount of expenses by accounts and expense

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1608 classifications, including, but not limited to, the following, 1609 as applicable: costs for security, professional, and management 1610 fees and expenses; taxes; costs for recreation facilities; 1611 expenses for refuse collection and utility services; expenses 1612 for lawn care; costs for building maintenance and repair; 1613 insurance costs; administration and salary expenses; and 1614 reserves if maintained by the association.

1615

(10) RECALL OF DIRECTORS.-

(a)1. Regardless of any provision to the contrary contained in the governing documents, subject to the provisions of s. 720.307 regarding transition of association control, any member of the board of directors may be recalled and removed from office with or without cause by a majority of the total voting interests.

1622 2. When the governing documents, including the declaration, 1623 articles of incorporation, or bylaws, provide that only a 1624 specific class of members is entitled to elect a board director 1625 or directors, only that class of members may vote to recall 1626 those board directors so elected.

(b)1. Board directors may be recalled by an agreement in writing or by written ballot without a membership meeting. The agreement in writing or the written ballots, or a copy thereof, shall be served on the association by certified mail or by personal service in the manner authorized by chapter 48 and the Florida Rules of Civil Procedure.

1633 2. The board shall duly notice and hold a meeting of the 1634 board within 5 full business days after receipt of the agreement 1635 in writing or written ballots. At the meeting, the board shall 1636 either certify the written ballots or written agreement to

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1637 recall a director or directors of the board, in which case such 1638 director or directors shall be recalled effective immediately 1639 and shall turn over to the board within 5 full business days any 1640 and all records and property of the association in their 1641 possession, or proceed as described in paragraph (d).

3. When it is determined by the department pursuant to binding arbitration proceedings that an initial recall effort was defective, written recall agreements or written ballots used in the first recall effort and not found to be defective may be reused in one subsequent recall effort. However, in no event is a written agreement or written ballot valid for more than 120 days after it has been signed by the member.

1649 4. Any rescission or revocation of a member's written 1650 recall ballot or agreement must be in writing and, in order to 1651 be effective, must be delivered to the association before the 1652 association is served with the written recall agreements or 1653 ballots.

5. The agreement in writing or ballot shall list at least as many possible replacement directors as there are directors subject to the recall, when at least a majority of the board is sought to be recalled; the person executing the recall instrument may vote for as many replacement candidates as there are directors subject to the recall.

(c)1. If the declaration, articles of incorporation, or bylaws specifically provide, the members may also recall and remove a board director or directors by a vote taken at a meeting. If so provided in the governing documents, a special meeting of the members to recall a director or directors of the board of administration may be called by 10 percent of the

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1666 voting interests giving notice of the meeting as required for a 1667 meeting of members, and the notice shall state the purpose of 1668 the meeting. Electronic transmission may not be used as a method 1669 of giving notice of a meeting called in whole or in part for 1670 this purpose.

1671 2. The board shall duly notice and hold a board meeting 1672 within 5 full business days after the adjournment of the member 1673 meeting to recall one or more directors. At the meeting, the 1674 board shall certify the recall, in which case such member or 1675 members shall be recalled effective immediately and shall turn 1676 over to the board within 5 full business days any and all 1677 records and property of the association in their possession, or 1678 shall proceed as set forth in paragraph subparagraph (d).

1679 (d) If the board determines not to certify the written 1680 agreement or written ballots to recall a director or directors 1681 of the board or does not certify the recall by a vote at a meeting, the board shall, within 5 full business days after the 1682 meeting, file with the department a petition for binding 1683 1684 arbitration pursuant to the applicable procedures in ss. 1685 718.112(2)(j) and 718.1255 and the rules adopted thereunder. For 1686 the purposes of this section, the members who voted at the 1687 meeting or who executed the agreement in writing shall 1688 constitute one party under the petition for arbitration. If the 1689 arbitrator certifies the recall as to any director or directors 1690 of the board, the recall will be effective upon mailing of the 1691 final order of arbitration to the association. The director or 1692 directors so recalled shall deliver to the board any and all 1693 records of the association in their possession within 5 full 1694 business days after the effective date of the recall.

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1695 (e) If a vacancy occurs on the board as a result of a 1696 recall and less than a majority of the board directors are removed, the vacancy may be filled by the affirmative vote of a 1697 1698 majority of the remaining directors, notwithstanding any provision to the contrary contained in this subsection or in the 1699 1700 association documents. If vacancies occur on the board as a result of a recall and a majority or more of the board directors 1701 1702 are removed, the vacancies shall be filled by members voting in 1703 favor of the recall; if removal is at a meeting, any vacancies 1704 shall be filled by the members at the meeting. If the recall 1705 occurred by agreement in writing or by written ballot, members 1706 may vote for replacement directors in the same instrument in 1707 accordance with procedural rules adopted by the division, which 1708 rules need not be consistent with this subsection.

(f) If the board fails to duly notice and hold a board meeting within 5 full business days after service of an agreement in writing or within 5 full business days after the adjournment of the member recall meeting, the recall shall be deemed effective and the board directors so recalled shall immediately turn over to the board all records and property of the association.

1716 (g) If the board fails to duly notice and hold the required 1717 meeting or fails to file the required petition, the unit owner 1718 representative may file a petition pursuant to s. 718.1255 1719 challenging the board's failure to act. The petition must be 1720 filed within 60 days after the expiration of the applicable 5-1721 full-business-day period. The review of a petition under this 1722 paragraph is limited to the sufficiency of service on the board 1723 and the facial validity of the written agreement or ballots

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1724 filed.

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1725 (h) (g) If a director who is removed fails to relinquish his 1726 or her office or turn over records as required under this 1727 section, the circuit court in the county where the association 1728 maintains its principal office may, upon the petition of the 1729 association, summarily order the director to relinquish his or 1730 her office and turn over all association records upon 1731 application of the association.

1732 (i) (h) The minutes of the board meeting at which the board 1733 decides whether to certify the recall are an official 1734 association record. The minutes must record the date and time of 1735 the meeting, the decision of the board, and the vote count taken 1736 on each board member subject to the recall. In addition, when 1737 the board decides not to certify the recall, as to each vote rejected, the minutes must identify the parcel number and the 1738 1739 specific reason for each such rejection.

1740 <u>(j) (i)</u> When the recall of more than one board director is 1741 sought, the written agreement, ballot, or vote at a meeting 1742 shall provide for a separate vote for each board director sought 1743 to be recalled.

(k) A board member who has been recalled may file a petition pursuant to ss. 718.112(2)(j) and 718.1255 and the rules adopted challenging the validity of the recall. The petition must be filed within 60 days after the recall is deemed certified. The association and the unit owner representative shall be named as respondents.

1750 (1) The division may not accept for filing a recall 1751 petition, whether filed pursuant to paragraph (b), paragraph 1752 (c), paragraph (g), or paragraph (k) and regardless of whether

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the recall was certified, when there are 60 or fewer days until

1754 the scheduled reelection of the board member sought to be 1755 recalled or when 60 or fewer days have not elapsed since the 1756 election of the board member sought to be recalled. 1757 Section 17. Subsection (2) of section 720.305, Florida 1758 Statutes, is amended to read: 1759 720.305 Obligations of members; remedies at law or in 1760 equity; levy of fines and suspension of use rights.-1761 (2) The association may levy reasonable fines of up to \$100 1762 per violation against any member or any member's tenant, quest, 1763 or invitee for the failure of the owner of the parcel or its 1764 occupant, licensee, or invitee to comply with any provision of 1765 the declaration, the association bylaws, or reasonable rules of 1766 the association. A fine may be levied for each day of a continuing violation, with a single notice and opportunity for 1767 1768 hearing, except that the fine may not exceed \$1,000 in the 1769 aggregate unless otherwise provided in the governing documents. A fine of less than \$1,000 may not become a lien against a 1770 1771 parcel. In any action to recover a fine, the prevailing party is 1772 entitled to reasonable attorney attorney's fees and costs from 1773 the nonprevailing party as determined by the court. 1774 (a) An association may suspend, for a reasonable period of 1775 time, the right of a member, or a member's tenant, guest, or 1776 invitee, to use common areas and facilities for the failure of 1777 the owner of the parcel or its occupant, licensee, or invitee to 1778 comply with any provision of the declaration, the association 1779 bylaws, or reasonable rules of the association. This paragraph 1780 does not apply to that portion of common areas used to provide 1781 access or utility services to the parcel. A suspension may not

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1782 impair the right of an owner or tenant of a parcel to have 1783 vehicular and pedestrian ingress to and egress from the parcel, 1784 including, but not limited to, the right to park.

1785 (b) A fine or suspension may not be imposed without at 1786 least 14 days' notice to the person sought to be fined or 1787 suspended and an opportunity for a hearing before a committee of 1788 at least three members appointed by the board who are not 1789 officers, directors, or employees of the association, or the 1790 spouse, parent, child, brother, or sister of an officer, 1791 director, or employee. If the committee, by majority vote, does 1792 not approve a proposed fine or suspension, it may not be 1793 imposed. If the association imposes a fine or suspension, the 1794 association must provide written notice of such fine or 1795 suspension by mail or hand delivery to the parcel owner and, if 1796 applicable, to any tenant, licensee, or invitee of the parcel 1797 owner.

1798 Section 18. Paragraph (d) is added to subsection (1) of section 720.306, Florida Statutes, and subsection (6) and 1799 1800 paragraph (a) of subsection (9) of that section are amended, to 1801 read:

1802 720.306 Meetings of members; voting and election 1803 procedures; amendments.-

1804

(1) QUORUM; AMENDMENTS.-

1805 (d) The Legislature finds that the procurement of mortgagee 1806 consent to amendments that do not affect the rights or interests 1807 of mortgagees is an unreasonable and substantial logistical and 1808 financial burden on the parcel owners and that there is a 1809 compelling state interest in enabling the members of an 1810 association to approve amendments to the association's governing

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1811	documents through legal means. Accordingly, and notwithstanding
1812	any provision of this paragraph to the contrary:
1813	1. As to any mortgage recorded on or after July 1, 2013,
1814	any provision in the association's governing documents that
1815	requires the consent or joinder of some or all mortgagees of
1816	parcels or any other portion of the association's common areas
1817	to amend the association's governing documents or for any other
1818	matter is enforceable only as to amendments to the association's
1819	governing documents that adversely affect the priority of the
1820	mortgagee's lien or the mortgagee's rights to foreclose its lien
1821	or that otherwise materially affect the rights and interests of
1822	the mortgagees.
1823	2. As to mortgages recorded before July 1, 2013, any
1824	existing provisions in the association's governing documents
1825	requiring mortgagee consent are enforceable.
1826	3. In securing consent or joinder, the association is
1827	entitled to rely upon the public records to identify the holders
1828	of outstanding mortgages. The association may use the address
1829	provided in the original recorded mortgage document, unless
1830	there is a different address for the holder of the mortgage in a
1831	recorded assignment or modification of the mortgage, which
1832	recorded assignment or modification must reference the official
1833	records book and page on which the original mortgage was
1834	recorded. Once the association has identified the recorded
1835	mortgages of record, the association shall, in writing, request
1836	of each parcel owner whose parcel is encumbered by a mortgage of
1837	record any information that the owner has in his or her
1838	possession regarding the name and address of the person to whom
1839	mortgage payments are currently being made. Notice shall be sent

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1840 to such person if the address provided in the original recorded mortgage document is different from the name and address of the 1841 1842 mortgagee or assignee of the mortgage as shown by the public 1843 record. The association is deemed to have complied with this 1844 requirement by making the written request of the parcel owners 1845 required under this subparagraph. Any notices required to be 1846 sent to the mortgagees under this subparagraph shall be sent to 1847 all available addresses provided to the association.

1848 <u>4. Any notice to the mortgagees required under subparagraph</u>
1849 <u>3. may be sent by a method that establishes proof of delivery,</u>
1850 <u>and any mortgagee who fails to respond within 60 days after the</u>
1851 <u>date of mailing is deemed to have consented to the amendment.</u>

5. For those amendments requiring mortgagee consent on or after July 1, 2013, in the event mortgagee consent is provided other than by properly recorded joinder, such consent shall be evidenced by affidavit of the association recorded in the public records of the county in which the declaration is recorded.

1857 6. Any amendment adopted without the required consent of a 1858 mortgagee is voidable only by a mortgagee who was entitled to 1859 notice and an opportunity to consent. An action to void an 1860 amendment is subject to the statute of limitations beginning 5 1861 years after the date of discovery as to the amendments described 1862 in subparagraph 1. and 5 years after the date of recordation of 1863 the certificate of amendment for all other amendments. This 1864 subparagraph applies to all mortgages, regardless of the date of 1865 recordation of the mortgage.

1866 (6) RIGHT TO SPEAK.-Members and parcel owners have the 1867 right to attend all membership meetings and to speak at any 1868 meeting with reference to all items opened for discussion or

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1869 included on the agenda. Notwithstanding any provision to the contrary in the governing documents or any rules adopted by the 1870 1871 board or by the membership, a member and a parcel owner have the 1872 right to speak for at least 3 minutes on any item, provided that 1873 the member or parcel owner submits a written request to speak 1874 prior to the meeting. The association may adopt written 1875 reasonable rules governing the frequency, duration, and other 1876 manner of member and parcel owner statements, which rules must 1877 be consistent with this subsection.

1878

(9) (a) ELECTIONS AND BOARD VACANCIES.-

1879 (a) Elections of directors must be conducted in accordance 1880 with the procedures set forth in the governing documents of the 1881 association. All members of the association are eligible to 1882 serve on the board of directors, and a member may nominate himself or herself as a candidate for the board at a meeting 1883 where the election is to be held or, if the election process 1884 1885 allows voting by absentee ballot, in advance of the balloting. 1886 Except as otherwise provided in the governing documents, boards 1887 of directors must be elected by a plurality of the votes cast by 1888 eligible voters. Any challenge to the election process must be 1889 commenced within 60 days after the election results are 1890 announced. 1891 Section 19. This act shall take effect July 1, 2013. 1892 1893 1894 And the title is amended as follows: 1895 Delete everything before the enacting clause and insert: 1896 1897 A bill to be entitled

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COMMITTEE AMENDMENT

Florida Senate - 2013 Bill No. SB 436



1898 An act relating to residential properties; amending s. 1899 399.02, F.S.; exempting certain elevators from 1900 specific code update requirements; amending s. 1901 514.0115, F.S.; revising specified supervision and 1902 regulation exemptions for homeowners' association 1903 swimming pools; amending s. 718.111, F.S.; revising 1904 requirements for an association's approval of land 1905 purchases and recreational leases; revising 1906 reconstruction costs for which unit owners are 1907 responsible and authorizing the costs to be collected 1908 in a specified manner; requiring an association to 1909 repair or replace as a common expense certain 1910 condominium property damaged by an insurable event; 1911 requiring an association to allow a member or the 1912 member's representative to use certain portable 1913 devices to make electronic copies of association 1914 records; prohibiting the association from charging the 1915 member or representative for using the portable 1916 device; revising requirements for the preparation of 1917 an association's annual financial statement; amending 1918 s. 718.112, F.S.; revising terms of members of an 1919 association's board of administrators and revising 1920 eligibility criteria for candidates; revising 1921 condominium unit owner meeting notice requirements; 1922 providing for nonapplicability to associations 1923 governing timeshare condominiums of certain provisions 1924 relating to elections of board members; revising 1925 recordkeeping requirements of a condominium 1926 association board; requiring commencement of

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1927 challenges to an election within a specified period; 1928 providing requirements for challenging the failure of 1929 a board to duly notice and hold the required board 1930 meeting or to file the required petition for a recall; 1931 providing requirements for recalled board members to 1932 challenge the recall; prohibiting the Division of 1933 Florida Condominiums, Timeshares, and Mobile Homes of 1934 the Department of Business and Professional Regulation 1935 from accepting recall petitions for filing under 1936 certain circumstances; amending s. 718.113, F.S.; 1937 providing requirements for a condominium association 1938 board relating to the installation of hurricane 1939 shutters, impact glass, code-compliant windows or 1940 doors, and other types of code-compliant hurricane 1941 protection under certain circumstances; amending s. 1942 718.115, F.S.; conforming provisions to changes made 1943 by the act; amending s. 718.303, F.S.; revising 1944 provisions relating to imposing remedies against a 1945 noncompliant or delinguent condominium unit owner or 1946 member; amending s. 718.403, F.S.; providing 1947 requirements for the completion of phase condominiums; creating s. 718.406, F.S.; providing definitions; 1948 1949 providing requirements for condominiums created within 1950 condominium parcels; providing for the establishment 1951 of primary condominium and secondary condominium 1952 units; providing requirements for association 1953 declarations; authorizing a primary condominium 1954 association to provide insurance and adopt hurricane 1955 shutter or hurricane protection specifications under



1956 certain conditions; providing requirements relating to 1957 assessments; providing for resolution of conflicts 1958 between primary condominium declarations and secondary 1959 condominium declarations; providing requirements 1960 relating to common expenses due the primary 1961 condominium association; amending s. 718.5011, F.S.; 1962 revising the restriction on officers and full-time 1963 employees of the ombudsman from engaging in other 1964 businesses or professions; amending s. 719.104, F.S.; 1965 requiring an association to allow a member or the 1966 member's representative to use certain portable 1967 devices to make electronic copies of association 1968 records; prohibiting the association from charging the 1969 member or representative for using the portable 1970 device; specifying additional records that are not 1971 accessible to unit owners; amending s. 719.1055, F.S.; 1972 revising provisions relating to the amendment of 1973 cooperative documents; providing legislative findings 1974 and a finding of compelling state interest; providing 1975 criteria for consent or joinder to an amendment; 1976 requiring notice regarding proposed amendments to 1977 mortgagees; providing criteria for notification; 1978 providing for voiding certain amendments; amending s. 1979 719.106, F.S.; revising applicability of certain board 1980 of administration meeting requirements; requiring 1981 commencement of challenges to an election within a 1982 specified period; specifying certification or 1983 educational requirements for a newly elected or 1984 appointed cooperative board director; providing

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1985 requirements for challenging the failure of a board to 1986 duly notice and hold the required board meeting or to 1987 file the required petition for a recall; providing 1988 requirements for recalled board members to challenge 1989 the recall; prohibiting the division from accepting 1990 recall petitions for filing under certain 1991 circumstances; providing education requirements for 1992 board members; amending s. 719.303, F.S.; revising 1993 provisions relating to imposing remedies against a 1994 noncompliant or delinguent cooperative unit owner or 1995 member; amending s. 719.501, F.S.; authorizing the 1996 division to provide training and educational programs 1997 for cooperative association board members and unit 1998 owners; amending s. 720.303, F.S.; requiring an 1999 association to allow a member or the member's 2000 representative to use certain portable devices to make 2001 electronic copies of association records; prohibiting 2002 the association from charging the member or 2003 representative for using the portable device; revising 2004 requirements for the preparation of an association's 2005 annual financial statement; revising the types of 2006 records that are not accessible to homeowners' 2007 association members and parcel owners; providing 2008 requirements for challenging the failure of a board to 2009 duly notice and hold the required board meeting or to 2010 file the required petition for a recall; providing 2011 requirements for recalled board members to challenge 2012 the recall; prohibiting the division from accepting 2013 recall petitions for filing under certain

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2014 circumstances; amending s. 720.305, F.S.; revising 2015 provisions relating to imposing remedies against a 2016 noncompliant or delinquent homeowners' association 2017 member and parcel owner; amending s. 720.306, F.S.; 2018 revising provisions relating to the amendment of 2019 homeowners' association declarations; providing 2020 legislative findings and a finding of compelling state 2021 interest; providing criteria for consent or joinder to 2022 an amendment; requiring notice to mortgagees regarding 2023 proposed amendments; providing criteria for 2024 notification; providing for voiding certain 2025 amendments; revising provisions relating to right to 2026 speak at a homeowners' association meeting; requiring 2027 commencement of challenges to an election within a 2028 specified period; providing an effective date.