

1 A bill to be entitled
2 An act relating to homeowners' associations; amending
3 s. 34.01, F.S.; conforming a cross-reference; amending
4 s. 468.436, F.S.; providing grounds for disciplinary
5 actions against community association managers;
6 amending s. 720.303, F.S.; requiring a homeowners'
7 association to maintain an internal dispute resolution
8 procedure in the association's official records;
9 requiring official records to be maintained within a
10 specified distance of the association for a specified
11 time; authorizing associations to maintain such
12 records online; requiring associations to permit
13 members to take photographs of such records using
14 portable devices at no charge; revising provisions
15 allowing the association to charge fees for personnel
16 costs related to records access; requiring budgets to
17 designate permissible uses of reserve accounts;
18 requiring a community association manager, or the
19 association in the absence of a community association
20 manager, to report certain information to the Division
21 of Florida Condominiums, Timeshares, and Mobile Homes;
22 providing for expiration of reporting requirements;
23 creating s. 720.3033, F.S.; requiring association
24 directors to file with the association secretary
25 written certification that they have read certain
26 association documents, will uphold the documents, and
27 will uphold their fiduciary responsibility to the
28 members; providing for an educational certificate in

29 lieu of written certification; providing that such
30 certification or certificate is valid while the
31 director is on the board; providing penalties for
32 failure to file such certification or certificate;
33 requiring the association to retain such certification
34 or certificate for 5 years; requiring the board to
35 follow specified procedures relating to contracts or
36 transactions between the association and certain
37 entities; providing for disclosure of the contract or
38 transaction to members; providing for the cancellation
39 of such contract or transaction under certain
40 circumstances; prohibiting any association officer,
41 director, or manager from soliciting or receiving
42 certain personal benefits from any person providing or
43 offering to provide goods or services to the
44 association; providing for removal from office for
45 violations; providing an exception; providing for the
46 removal of any director or officer charged with a
47 felony theft or embezzlement offense involving
48 association funds or property; providing for the
49 reinstatement of such person under certain
50 circumstances; prohibiting a member with pending
51 criminal charges from certain positions; requiring the
52 association to maintain insurance or a bond to cover
53 funds that will be in the custody of the association
54 or its management agent; providing a definition;
55 amending s. 720.306, F.S.; revising procedures for the
56 election of directors; amending s. 720.307, F.S.;

57 providing additional circumstances for authorizing
 58 members to elect a majority of association board
 59 members; providing circumstances under which members
 60 other than the developer are authorized to elect a
 61 specified number of members to the board of directors;
 62 amending s. 720.311, F.S.; requiring associations to
 63 adopt internal dispute resolution procedures;
 64 providing minimum requirements for such procedures;
 65 providing for an internal dispute resolution in the
 66 absence of a procedure adopted by the association;
 67 providing that certain resolutions and agreements are
 68 binding and judicially enforceable; amending s.
 69 720.315, F.S.; prohibiting increases in assessments
 70 levied pursuant to the annual budget under certain
 71 circumstances; providing a definition; providing an
 72 effective date.

73
 74 Be It Enacted by the Legislature of the State of Florida:

75
 76 Section 1. Paragraph (d) of subsection (1) of section
 77 34.01, Florida Statutes, is amended to read:

78 34.01 Jurisdiction of county court.—
 79 (1) County courts shall have original jurisdiction:
 80 (d) Of disputes occurring in the homeowners' associations
 81 as described in s. 720.311(4)(a) ~~720.311(2)(a)~~, which shall be
 82 concurrent with jurisdiction of the circuit courts.

83 Section 2. Paragraph (b) of subsection (2) of section
 84 468.436, Florida Statutes, is amended to read:

85 468.436 Disciplinary proceedings.—

86 (2) The following acts constitute grounds for which the
87 disciplinary actions in subsection (4) may be taken:

88 (b)1. Violation of any provision of this part.

89 2. Violation of any lawful order or rule rendered or
90 adopted by the department or the council.

91 3. Being convicted of or pleading nolo contendere to a
92 felony in any court in the United States.

93 4. Obtaining a license or certification or any other
94 order, ruling, or authorization by means of fraud,
95 misrepresentation, or concealment of material facts.

96 5. Committing acts of gross misconduct or gross negligence
97 in connection with the profession.

98 6. Contracting, on behalf of an association, with any
99 entity in which the licensee has a financial interest that is
100 not disclosed.

101 7. Failing to report to the division as required in s.
102 720.303(13).

103 8. Violating any provision of chapter 718, chapter 719, or
104 chapter 720 during the course of performing community
105 association management services pursuant to a contract with a
106 community association.

107 Section 3. Subsection (5) and paragraph (d) of subsection
108 (6) of section 720.303, Florida Statutes, are amended, paragraph
109 (m) is added to subsection (4), and subsection (13) is added to
110 that section, to read:

111 720.303 Association powers and duties; meetings of board;
112 official records; budgets; financial reporting; association

113 funds; recalls.—

114 (4) OFFICIAL RECORDS.—The association shall maintain each
115 of the following items, when applicable, which constitute the
116 official records of the association:

117 (m) A copy of the association internal dispute resolution
118 procedure.

119 (5) INSPECTION AND COPYING OF RECORDS.—The official
120 records shall be maintained within the state for at least 7
121 years and shall be made available to a parcel owner for
122 inspection or photocopying within 45 miles of the community or
123 within the county in which the association is located within 10
124 business days after receipt by the board or its designee of a
125 written request ~~must be open to inspection and available for~~
126 ~~photocopying by members or their authorized agents at reasonable~~
127 ~~times and places within 10 business days after receipt of a~~
128 ~~written request for access.~~ This subsection may be complied with
129 by having a copy of the official records available for
130 inspection or copying in the community or, at the option of the
131 association, by making the records available to a parcel owner
132 electronically via the Internet or by allowing the records to be
133 viewed in electronic format on a computer screen and printed
134 upon request. If the association has a photocopy machine
135 available where the records are maintained, it must provide
136 parcel owners with copies on request during the inspection if
137 the entire request is limited to no more than 25 pages. The
138 association shall allow a member or the member's authorized
139 representative to use a portable device, including a smartphone,
140 tablet, portable scanner, or any other technology capable of

141 scanning or taking photographs, to make an electronic copy of
142 the official records in lieu of providing the member or his or
143 her authorized representative with a copy of the records. The
144 association may not charge a fee to a member or his or her
145 authorized representative for such use of a portable device.

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

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

157 (c) The association may adopt reasonable written rules
158 governing the frequency, time, location, notice, records to be
159 inspected, and manner of inspections, but may not require a
160 parcel owner to demonstrate any proper purpose for the
161 inspection, state any reason for the inspection, or limit a
162 parcel owner's right to inspect records to less than one 8-hour
163 business day per month. The association may impose fees to cover
164 the costs of providing copies of the official records,
165 including, ~~without limitation,~~ the costs of copying and the
166 costs required for personnel to retrieve and copy the records if
167 retrieving the records exceeds 30 minutes and if the personnel
168 costs do not exceed \$20 per hour. Personnel costs may not be

169 | charged for records requests that result in the copying of 25 or
170 | fewer pages. The association may charge up to 25 ~~50~~ cents per
171 | page for copies made on the association's photocopier. If the
172 | association does not have a photocopy machine available where
173 | the records are kept, or if the records requested to be copied
174 | exceed 25 pages in length, the association may have copies made
175 | by an outside duplicating service ~~vendor or association~~
176 | ~~management company personnel~~ and may charge the actual cost of
177 | copying, as supported by the vendor invoice ~~including any~~
178 | ~~reasonable costs involving personnel fees and charges at an~~
179 | ~~hourly rate for vendor or employee time to cover administrative~~
180 | ~~costs to the vendor or association.~~ The association shall
181 | maintain an adequate number of copies of the recorded governing
182 | documents, to ensure their availability to members and
183 | prospective members. Notwithstanding this paragraph, the
184 | following records are not accessible to members or parcel
185 | owners:

186 | 1. Any record protected by the lawyer-client privilege as
187 | described in s. 90.502 and any record protected by the work-
188 | product privilege, including, but not limited to, a record
189 | prepared by an association attorney or prepared at the
190 | attorney's express direction which reflects a mental impression,
191 | conclusion, litigation strategy, or legal theory of the attorney
192 | or the association and which was prepared exclusively for civil
193 | or criminal litigation or for adversarial administrative
194 | proceedings or which was prepared in anticipation of such
195 | litigation or proceedings until the conclusion of the litigation
196 | or proceedings.

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

200 3. Personnel records of the association's employees,
201 including, but not limited to, disciplinary, payroll, health,
202 and insurance records. For purposes of this subparagraph, the
203 term "personnel records" does not include written employment
204 agreements with an association employee or budgetary or
205 financial records that indicate the compensation paid to an
206 association employee.

207 4. Medical records of parcel owners or community
208 residents.

209 5. Social security numbers, driver's license numbers,
210 credit card numbers, electronic mailing addresses, telephone
211 numbers, facsimile numbers, emergency contact information, any
212 addresses for a parcel owner other than as provided for
213 association notice requirements, and other personal identifying
214 information of any person, excluding the person's name, parcel
215 designation, mailing address, and property address. However, an
216 owner may consent in writing to the disclosure of protected
217 information described in this subparagraph. The association is
218 not liable for the disclosure of information that is protected
219 under this subparagraph if the information is included in an
220 official record of the association and is voluntarily provided
221 by an owner and not requested by the association.

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

224 7. The software and operating system used by the

225 association which allows the manipulation of data, even if the
226 owner owns a copy of the same software used by the association.
227 The data is part of the official records of the association.

228 (d) The association or its authorized agent is not
229 required to provide a prospective purchaser or lienholder with
230 information about the residential subdivision or the association
231 other than information or documents required by this chapter to
232 be made available or disclosed. The association or its
233 authorized agent may charge a reasonable fee to the prospective
234 purchaser or lienholder or the current parcel owner or member
235 for providing good faith responses to requests for information
236 by or on behalf of a prospective purchaser or lienholder, other
237 than that required by law, if the fee does not exceed \$150 plus
238 the reasonable cost of photocopying and any attorney's fees
239 incurred by the association in connection with the response.

240 (6) BUDGETS.—

241 (d) An association is deemed to have provided for reserve
242 accounts if reserve accounts have been initially established by
243 the developer or if the membership of the association
244 affirmatively elects to provide for reserves. If reserve
245 accounts are established by the developer, the budget must
246 designate the components for which the reserve accounts are
247 established. If reserve accounts are not initially provided by
248 the developer, the membership of the association may elect to do
249 so upon the affirmative approval of a majority of the total
250 voting interests of the association. Such approval may be
251 obtained by vote of the members at a duly called meeting of the
252 membership or by the written consent of a majority of the total

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253 voting interests of the association. The approval action of the
254 membership must state that reserve accounts shall be provided
255 for in the budget and must designate the components for which
256 the reserve accounts are to be established. Upon approval by the
257 membership, the board of directors shall include the required
258 reserve accounts in the budget in the next fiscal year following
259 the approval and each year thereafter. Once established as
260 provided in this subsection, the reserve accounts must be funded
261 or maintained or have their funding waived in the manner
262 provided in paragraph (f).

263 (13) REPORTING REQUIREMENT.—The community association
264 manager, or the association when there is no community
265 association manager, shall report to the division by November
266 22, 2013, and annually thereafter, in a manner and form
267 prescribed by the division.

268 (a) The report shall include the association's:

269 1. Legal name.

270 2. Federal employer identification number.

271 3. Mailing and physical addresses.

272 4. Total number of parcels.

273 5. Total amount of revenues and expenses from the
274 association's annual budget.

275 (b) For associations in which control of the association
276 has not been transitioned to nondeveloper members, as set forth
277 in s. 720.307, the report shall also include the developer's:

278 1. Legal name.

279 2. Mailing address.

280 3. Total number of parcels owned on the date of reporting.

281 (c) By October 1, 2013, the department shall establish and
282 implement a registration system through an Internet website that
283 provides for the reporting requirements of paragraphs (a) and
284 (b).

285 (d) The department shall prepare an annual report of the
286 data reported pursuant to this subsection and present it to the
287 Governor, the President of the Senate, and the Speaker of the
288 House of Representatives by December 1, 2013, and each year
289 thereafter.

290 (e) The department may adopt rules pursuant to ss.
291 120.536(1) and 120.54 to implement the provisions of this
292 subsection.

293 (f) This subsection expires July 1, 2016, unless reenacted
294 by the Legislature.

295 Section 4. Section 720.3033, Florida Statutes, is created
296 to read:

297 720.3033 Officers and directors.-

298 (1) (a) Within 90 days after being elected or appointed to
299 the board, each director shall certify in writing to the
300 secretary of the association that he or she has read the
301 association's declaration of covenants, articles of
302 incorporation, bylaws, and current written rules and policies;
303 that he or she will work to uphold such documents and policies
304 to the best of his or her ability; and that he or she will
305 faithfully discharge his or her fiduciary responsibility to the
306 association's members. Within 90 days after being elected or
307 appointed to the board, in lieu of such written certification,
308 the newly elected or appointed director may submit a certificate

309 of having satisfactorily completed the educational curriculum
310 administered by a division-approved education provider within 1
311 year before or 90 days after the date of election or
312 appointment.

313 (b) The written certification or educational certificate
314 is valid for the uninterrupted tenure of the director on the
315 board. A director who does not timely file the written
316 certification or educational certificate shall be suspended from
317 the board until he or she complies with the requirement. The
318 board may temporarily fill the vacancy during the period of
319 suspension.

320 (c) The association shall retain each director's written
321 certification or educational certificate for inspection by the
322 members for 5 years after the director's election. However, the
323 failure to have the written certification or educational
324 certificate on file does not affect the validity of any board
325 action.

326 (2) If the association enters into a contract or other
327 transaction with any of its directors or a corporation, firm,
328 association, or other entity in which an association director is
329 also a director or officer or is financially interested, the
330 board must:

331 (a) Comply with the requirements of s. 617.0832.

332 (b) Enter the disclosures required by s. 617.0832 into the
333 written minutes of the meeting.

334 (c) Approve the contract or other transaction by an
335 affirmative vote of two-thirds of the directors present.

336 (d) At the next regular or special meeting of the members,

337 disclose the existence of the contract or other transaction to
338 the members. Upon motion of any member, the contract or
339 transaction shall be brought up for a vote and may be canceled
340 by a majority vote of the members present. If the members cancel
341 the contract, the association is only liable for the reasonable
342 value of goods and services provided up to the time of
343 cancellation and is not liable for any termination fee,
344 liquidated damages, or other penalty for such cancellation.

345 (3) An officer, director, or manager may not solicit,
346 offer to accept, or accept any good or service of value for
347 which consideration has not been provided for his or her benefit
348 or for the benefit of a member of his or her immediate family
349 from any person providing or proposing to provide goods or
350 services to the association. If the board finds that an officer
351 or director has violated this subsection, the board shall
352 immediately remove the officer or director from office. The
353 vacancy shall be filled according to law until the end of the
354 officer or director's term of office. However, an officer,
355 director, or manager may accept food to be consumed at a
356 business meeting with a value of less than \$25 per individual or
357 a service or good received in connection with trade fairs or
358 education programs.

359 (4) A director or officer charged by information or
360 indictment with a felony theft or embezzlement offense involving
361 the association's funds or property must be removed from office.
362 The board shall immediately remove such director or officer from
363 office and shall fill the vacancy according to general law until
364 the end of the period of the suspension or the end of the

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365 director or officer's term of office, whichever occurs first.
366 However, if the charges are resolved without a finding of guilt
367 or without acceptance of a plea of guilty or nolo contendere,
368 the director or officer shall be reinstated for any remainder of
369 his or her term of office. A member who has such criminal
370 charges pending may not be appointed or elected to a position as
371 a director or officer.

372 (5) An association with total annual revenues of more than
373 \$100,000 shall maintain insurance or a fidelity bond for all
374 persons who control or disburse funds of the association. The
375 insurance policy or fidelity bond must cover the maximum funds
376 that will be in the custody of the association or its management
377 agent at any one time. As used in this subsection, the term
378 "persons who control or disburse funds of the association"
379 includes, but is not limited to, persons authorized to sign
380 checks on behalf of the association, and the president,
381 secretary, and treasurer of the association. The association
382 shall bear the cost of any insurance or bond.

383 Section 5. Paragraph (a) of subsection (9) of section
384 720.306, Florida Statutes, is amended to read:

385 720.306 Meetings of members; voting and election
386 procedures; amendments.—

387 (9) (a) ELECTIONS AND BOARD VACANCIES.—Elections of
388 directors must be conducted in accordance with the procedures
389 set forth in the governing documents of the association. All
390 members of the association are eligible to serve on the board of
391 directors, and a member may nominate himself or herself as a
392 candidate for the board at a meeting where the election is to be

393 | held; provided, however, that ~~or~~, if the election process allows
 394 | candidates to nominate themselves in advance of the balloting,
 395 | the association need not allow nominations at the meeting ~~voting~~
 396 | by absentee ballot, in advance of the balloting. An election is
 397 | not required unless more candidates are nominated than vacancies
 398 | exist. Except as otherwise provided in the governing documents,
 399 | boards of directors must be elected by a plurality of the votes
 400 | cast by eligible voters.

401 | Section 6. Subsection (1) of section 720.307, Florida
 402 | Statutes, is amended, subsections (2) through (4) are renumbered
 403 | as subsections (4) through (6), respectively, and new
 404 | subsections (2) and (3) are added to that section, to read:

405 | 720.307 Transition of association control in a community.—
 406 | With respect to homeowners' associations:

407 | (1) Members other than the developer are entitled to elect
 408 | at least a majority of the members of the board of directors of
 409 | the homeowners' association when the earlier of the following
 410 | events occurs:

411 | (a) Three months after 90 percent of the parcels in all
 412 | phases of the community that will ultimately be operated by the
 413 | homeowners' association have been conveyed to members; ~~or~~

414 | (b) Such other percentage of the parcels has been conveyed
 415 | to members, or such other date or event has occurred, as is set
 416 | forth in the governing documents in order to comply with the
 417 | requirements of any governmentally chartered entity with regard
 418 | to the mortgage financing of parcels;

419 | (c) Two years after the developer has ceased construction
 420 | or ceased to offer parcels for sale in the ordinary course of

421 business;

422 (d) Upon the developer abandoning or deserting its
 423 responsibility to maintain and complete the advertised amenities
 424 or infrastructure. There is a rebuttable presumption that the
 425 developer has abandoned and deserted the property if the
 426 developer has not engaged in construction or sale of properties
 427 or has unpaid assessments or guaranteed amounts under s. 720.308
 428 for a period of more than 2 years;

429 (e) Upon the developer filing a petition seeking
 430 protection under chapter 7 of the federal Bankruptcy Code;

431 (f) Upon the developer losing title to the property
 432 through a foreclosure action or the transfer of a deed in lieu
 433 of foreclosure unless the successor owner has accepted an
 434 assignment of developer rights and responsibilities; or

435 (g) Upon a receiver for the developer being appointed by a
 436 circuit court and not being discharged within 30 days after such
 437 appointment, unless the court determines within 30 days after
 438 such appointment that transfer of control would be detrimental
 439 to the association or its members.

440
 441 For purposes of this section, the term "members other than the
 442 developer" shall not include builders, contractors, or others
 443 who purchase a parcel for the purpose of constructing
 444 improvements thereon for resale.

445 (2) Members other than the developer are entitled to elect
 446 at least one member of the board of directors of the homeowners'
 447 association if 15 percent of the parcels in all phases of the
 448 community which will ultimately be operated by the association

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449 have been conveyed to members.

450 (3) Members other than the developer are entitled to elect
451 at least two members of the board of directors of the
452 homeowners' association if 50 percent of the parcels in all
453 phases of the community which will ultimately be operated by the
454 association have been conveyed to members.

455 Section 7. Subsection (1) of section 720.311, Florida
456 Statutes, is amended, subsection (2) of that section is
457 renumbered as subsection (4), and new subsections (2) and (3)
458 are added to that section, to read:

459 720.311 Dispute resolution.—

460 (1) The Legislature finds that alternative dispute
461 resolution has made progress in reducing court dockets and
462 trials and in offering a more efficient, cost-effective option
463 to litigation. The filing of any petition for arbitration,
464 participation in an internal dispute resolution process, or the
465 serving of a demand for presuit mediation as provided for in
466 this section shall toll the applicable statute of limitations.

467 (2) Any recall dispute filed with the department pursuant
468 to s. 720.303(10) shall be conducted by the department in
469 accordance with the provisions of ss. 718.112(2)(j) and 718.1255
470 and the rules adopted by the division. In addition, the
471 department shall conduct mandatory binding arbitration of
472 election disputes between a member and an association pursuant
473 to s. 718.1255 and rules adopted by the division. Neither
474 election disputes nor recall disputes are eligible for internal
475 dispute resolution or presuit mediation; these disputes shall be
476 arbitrated by the department. At the conclusion of the

477 proceeding, the department shall charge the parties a fee in an
478 amount adequate to cover all costs and expenses incurred by the
479 department in conducting the proceeding. Initially, the
480 petitioner shall remit a filing fee of at least \$200 to the
481 department. The fees paid to the department shall become a
482 recoverable cost in the arbitration proceeding, and the
483 prevailing party in an arbitration proceeding shall recover its
484 reasonable costs and attorney's fees in an amount found
485 reasonable by the arbitrator. The department shall adopt rules
486 to effectuate the purposes of this section.

487 (3) The association shall provide a fair, reasonable, and
488 expeditious procedure for resolving disputes concerning rights,
489 duties, or liabilities under this chapter and the governing
490 documents. If the association has not adopted such a procedure
491 by rule, it shall use the procedure in paragraph (b).

492 (a) The internal dispute resolution shall meet the
493 following criteria:

494 1. The procedure must be in writing.

495 2. A member of the association may not be charged a fee to
496 participate in the procedure.

497 3. The procedure may be initiated by either party to a
498 dispute.

499 4. Requests to initiate the procedure must be in writing.

500 5. The procedure must use prompt deadlines and specify the
501 maximum time for the association to respond to requests to
502 initiate the procedure.

503 6. If the procedure is initiated by a member, the
504 association shall participate in the procedure.

505 7. If the procedure is initiated by the association, the
506 member may refuse to participate in the procedure.

507 8. The procedure shall provide a means by which the
508 parties may explain their positions.

509 9. If the dispute is resolved other than by agreement of
510 the parties, the member may appeal to the association's board of
511 directors.

512 10. Whenever feasible, neutral third parties shall be used
513 to facilitate resolution.

514 11. The procedure may not prevent the member from
515 retaining an attorney or other representative.

516 (b) If the association has not adopted an internal dispute
517 resolution process, either party to a dispute may initiate the
518 following procedure, which is subject to the requirements of
519 paragraph (a):

520 1. The party may request, in writing, the other party to
521 meet and confer in an effort to resolve the dispute.

522 2. The association's board of directors shall deliver a
523 written response to a request from a member within 5 business
524 days. The response shall designate a member of the board to meet
525 and confer with the member and include contact information for
526 the board member.

527 3. The parties shall meet at a mutually convenient time
528 and place to explain their positions and confer in good faith in
529 an effort to resolve the dispute within 30 days after the
530 initial request. The parties may extend this time period by
531 agreement.

532 4. A resolution of the dispute agreed to by the parties

533 shall be memorialized in writing and signed by the parties,
534 including the association's board designee.

535 (c) A resolution of the dispute, which is not in conflict
536 with general law or the governing documents, is binding on the
537 association and is judicially enforceable. A written agreement
538 signed by the parties, which is not in conflict with general law
539 or the governing documents, is binding on the parties and is
540 judicially enforceable.

541 Section 8. Section 720.315, Florida Statutes, is amended
542 to read:

543 720.315 Passage of ~~special~~ assessments before turnover.-

544 (1) Before turnover, the board of directors controlled by
545 the developer may not levy a special assessment unless a
546 majority of the members ~~parcel owners~~ other than the developer
547 has approved the special assessment by a majority vote at a duly
548 called special meeting of the membership at which a quorum is
549 present.

550 (2) Before turnover, the board of directors controlled by
551 the developer may not increase assessments by more than 15
552 percent unless a majority of the members other than the
553 developer has approved the increase by a majority vote at a duly
554 called special meeting of the membership at which a quorum is
555 present. Increases in assessments pursuant to a schedule of
556 planned increases provided in the initial governing documents
557 are not subject to this subsection.

558
559 For purposes of this section, the term "members other than the
560 developer" does not include builders, contractors, or other

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561 | persons who purchase a parcel for the purpose of constructing
562 | improvements on the parcel for resale.

563 | Section 9. This act shall take effect July 1, 2013.