

By Senator Passidomo

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1 A bill to be entitled
2 An act relating to community associations; amending s.
3 718.111, F.S.; deleting a provision prohibiting an
4 association from hiring an attorney who represents the
5 management company of the association; revising
6 condominium association recordkeeping and financial
7 reporting requirements; amending s. 718.112, F.S.;
8 revising provisions relating to required association
9 bylaws; authorizing an association to adopt rules for
10 posting certain notices on a website; providing
11 responsibilities for unit owners who receive
12 electronic notices; revising and providing board
13 member recall and challenge requirements; authorizing
14 the recovery of attorney fees and costs in an action
15 to challenge the validity of a board member recall;
16 amending s. 718.113, F.S.; revising voting
17 requirements relating to alterations and additions to
18 certain common elements or association property;
19 amending s. 718.3026, F.S.; removing a provision
20 relating to certain contracts or transactions
21 regarding conflicts of interest; amending s. 718.3027,
22 F.S.; providing requirements for proposed activity
23 that is identified as a conflict of interest; amending
24 s. 718.303, F.S.; revising fine and suspension
25 requirements; amending s. 718.707, F.S.; revising the
26 time limitation for classification as a bulk assignee
27 or bulk buyer; amending s. 719.104, F.S.; revising
28 cooperative association recordkeeping requirements;
29 amending s. 719.106, F.S.; revising the composition of

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30 boards of administration; placing an additional
31 restriction on service as a board member; prohibiting
32 a board member from voting via e-mail; requiring that
33 a notice for certain meetings contain certain
34 information; authorizing an association to adopt rules
35 for posting certain notices on a website; requiring
36 that an adopted rule contain a certain requirement
37 related to electronic notice; providing
38 responsibilities for unit owners who receive
39 electronic notices; providing that directors or
40 officers who are delinquent in certain payments owed
41 in excess of certain periods of time are deemed to
42 have abandoned their offices; amending s. 719.107,
43 F.S.; specifying that certain services that are
44 obtained pursuant to a bulk contract are deemed a
45 common expense; amending s. 719.303, F.S.; revising
46 fine and suspension requirements; specifying a fine
47 payment is due within a certain timeframe after the
48 fine is approved by the committee; requiring the
49 association to provide written notice of certain fines
50 or suspensions to certain persons; amending s.
51 720.303, F.S.; prohibiting a board member from voting
52 via e-mail; revising reserve account requirements;
53 providing requirements for votes relating to reserve
54 accounts; providing applicability; requiring that
55 meetings at which a proposed annual budget will be
56 considered be open to all parcel owners; providing
57 requirements for special meetings held to consider a
58 substitute annual budget; amending s. 720.305, F.S.;

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59 expanding the list of persons required to be notified
60 of a fine or suspension before the fine or suspension
61 may be imposed; specifying that a payment for a fine
62 is due within a certain timeframe; amending s.
63 720.306, F.S.; prohibiting write-in nominations for
64 certain elections; requiring certain candidates to
65 commence service on the board of directors regardless
66 of whether a quorum is attained; amending s. 720.3085,
67 F.S.; clarifying applicability; amending s. 720.401,
68 F.S.; revising the statements required to be included
69 in the disclosure summary; providing an effective
70 date.

71

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

73

74 Section 1. Subsection (3), paragraphs (a), (b), and (g) of
75 subsection (12), and paragraph (e) of subsection (13) of section
76 718.111, Florida Statutes, are amended to read:

77 718.111 The association.—

78 (3) POWER TO MANAGE CONDOMINIUM PROPERTY AND TO CONTRACT,
79 SUE, AND BE SUED; ~~CONFLICT OF INTEREST.~~—

80 ~~(a)~~ The association may contract, sue, or be sued with
81 respect to the exercise or nonexercise of its powers. For these
82 purposes, the powers of the association include, but are not
83 limited to, the maintenance, management, and operation of the
84 condominium property. After control of the association is
85 obtained by unit owners other than the developer, the
86 association may institute, maintain, settle, or appeal actions
87 or hearings in its name on behalf of all unit owners concerning

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88 matters of common interest to most or all unit owners,
89 including, but not limited to, the common elements; the roof and
90 structural components of a building or other improvements;
91 mechanical, electrical, and plumbing elements serving an
92 improvement or a building; representations of the developer
93 pertaining to any existing or proposed commonly used facilities;
94 and protesting ad valorem taxes on commonly used facilities and
95 on units; and may defend actions in eminent domain or bring
96 inverse condemnation actions. If the association has the
97 authority to maintain a class action, the association may be
98 joined in an action as representative of that class with
99 reference to litigation and disputes involving the matters for
100 which the association could bring a class action. Nothing herein
101 limits any statutory or common-law right of any individual unit
102 owner or class of unit owners to bring any action without
103 participation by the association which may otherwise be
104 available.

105 ~~(b) An association may not hire an attorney who represents~~
106 ~~the management company of the association.~~

107 (12) OFFICIAL RECORDS.—

108 (a) From the inception of the association, the association
109 shall maintain each of the following items, if applicable, which
110 constitutes the official records of the association:

111 1. A copy of the plans, permits, warranties, and other
112 items provided by the developer pursuant to s. 718.301(4).

113 2. A photocopy of the recorded declaration of condominium
114 of each condominium operated by the association and each
115 amendment to each declaration.

116 3. A photocopy of the recorded bylaws of the association

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117 and each amendment to the bylaws.

118 4. A certified copy of the articles of incorporation of the
119 association, or other documents creating the association, and
120 each amendment thereto.

121 5. A copy of the current rules of the association.

122 6. A book or books that contain the minutes of all meetings
123 of the association, the board of administration, and the unit
124 owners, ~~which minutes must be retained for at least 7 years.~~

125 7. A current roster of all unit owners and their mailing
126 addresses, unit identifications, voting certifications, and, if
127 known, telephone numbers. The association shall also maintain
128 the electronic mailing addresses and facsimile numbers of unit
129 owners consenting to receive notice by electronic transmission.
130 The electronic mailing addresses and facsimile numbers are not
131 accessible to unit owners if consent to receive notice by
132 electronic transmission is not provided in accordance with sub-
133 subparagraph (c)3.e. However, the association is not liable for
134 an inadvertent disclosure of the electronic mail address or
135 facsimile number for receiving electronic transmission of
136 notices.

137 8. All current insurance policies of the association and
138 condominiums operated by the association.

139 9. A current copy of any management agreement, lease, or
140 other contract to which the association is a party or under
141 which the association or the unit owners have an obligation or
142 responsibility.

143 10. Bills of sale or transfer for all property owned by the
144 association.

145 11. Accounting records for the association and separate

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146 accounting records for each condominium that the association
147 operates. ~~All accounting records must be maintained for at least~~
148 ~~7 years.~~ Any person who knowingly or intentionally defaces or
149 destroys such records, or who knowingly or intentionally fails
150 to create or maintain such records, with the intent of causing
151 harm to the association or one or more of its members, is
152 personally subject to a civil penalty pursuant to s.
153 718.501(1)(d). The accounting records must include, but are not
154 limited to:

155 a. Accurate, itemized, and detailed records of all receipts
156 and expenditures.

157 b. A current account and a monthly, bimonthly, or quarterly
158 statement of the account for each unit designating the name of
159 the unit owner, the due date and amount of each assessment, the
160 amount paid on the account, and the balance due.

161 c. All audits, reviews, accounting statements, and
162 financial reports of the association or condominium.

163 d. All contracts for work to be performed. Bids for work to
164 be performed are also considered official records and must be
165 maintained by the association.

166 12. Ballots, sign-in sheets, voting proxies, and all other
167 papers and electronic records relating to voting by unit owners,
168 which must be maintained for 1 year from the date of the
169 election, vote, or meeting to which the document relates,
170 notwithstanding paragraph (b).

171 13. All rental records if the association is acting as
172 agent for the rental of condominium units.

173 14. A copy of the current question and answer sheet as
174 described in s. 718.504.

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175 15. All other written records of the association not
176 specifically included in the foregoing which are related to the
177 operation of the association.

178 16. A copy of the inspection report as described in s.
179 718.301(4)(p).

180 17. Bids for materials, equipment, or services.

181 (b) The official records of the association must be
182 maintained within the state for at least 7 years. The records of
183 the association shall be made available to a unit owner within
184 45 miles of the condominium property or within the county in
185 which the condominium property is located within 10 ~~5~~ working
186 days after receipt of a written request by the board or its
187 designee. However, such distance requirement does not apply to
188 an association governing a timeshare condominium. This paragraph
189 may be complied with by having a copy of the official records of
190 the association available for inspection or copying on the
191 condominium property or association property, or the association
192 may offer the option of making the records available to a unit
193 owner electronically via the Internet or by allowing the records
194 to be viewed in electronic format on a computer screen and
195 printed upon request. The association is not responsible for the
196 use or misuse of the information provided to an association
197 member or his or her authorized representative pursuant to the
198 compliance requirements of this chapter unless the association
199 has an affirmative duty not to disclose such information
200 pursuant to this chapter.

201 (g)1. By July 1, 2018, an association managing a
202 condominium with 150 or more units which does not contain ~~manage~~
203 timeshare units shall post digital copies of the documents

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204 specified in subparagraph 2. on its website.

205 a. The association's website must be:

206 (I) An independent website or web portal wholly owned and
207 operated by the association; or

208 (II) A website or web portal operated by a third-party
209 provider with whom the association owns, leases, rents, or
210 otherwise obtains the right to operate a web page, subpage, web
211 portal, or collection of subpages or web portals dedicated to
212 the association's activities and on which required notices,
213 records, and documents may be posted by the association.

214 b. The association's website must be accessible through the
215 Internet and must contain a subpage, web portal, or other
216 protected electronic location that is inaccessible to the
217 general public and accessible only to unit owners and employees
218 of the association.

219 c. Upon a unit owner's written request, the association
220 must provide the unit owner with a username and password and
221 access to the protected sections of the association's website
222 that contain any notices, records, or documents that must be
223 electronically provided.

224 2. A current copy of the following documents must be posted
225 in digital format on the association's website:

226 a. The recorded declaration of condominium of each
227 condominium operated by the association and each amendment to
228 each declaration.

229 b. The recorded bylaws of the association and each
230 amendment to the bylaws.

231 c. The articles of incorporation of the association, or
232 other documents creating the association, and each amendment

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233 thereto. The copy posted pursuant to this sub-subparagraph must
234 be a copy of the articles of incorporation filed with the
235 Department of State.

236 d. The rules of the association.

237 e. Any management agreement, lease, or other contract to
238 which the association is a party or under which the association
239 or the unit owners have an obligation or responsibility.

240 Summaries of bids for materials, equipment, or services must be
241 maintained on the website for 1 year. In lieu of summaries,
242 complete copies of the bids may be posted.

243 f. The annual budget required by s. 718.112(2)(f) and any
244 proposed budget to be considered at the annual meeting.

245 g. The financial report required by subsection (13) and any
246 proposed financial report to be considered at a meeting.

247 h. The certification of each director required by s.
248 718.112(2)(d)4.b.

249 i. All contracts or transactions between the association
250 and any director, officer, corporation, firm, or association
251 that is not an affiliated condominium association or any other
252 entity in which an association director is also a director or
253 officer and financially interested.

254 j. Any contract or document regarding a conflict of
255 interest or possible conflict of interest as provided in s.
256 468.436(2) ~~ss. 468.436(2) and 718.3026(3).~~

257 k. The notice of any unit owner meeting and the agenda for
258 the meeting, as required by s. 718.112(2)(d)3., no later than 14
259 days before the meeting. The notice must be posted in plain view
260 on the front page of the website, or on a separate subpage of
261 the website labeled "Notices" which is conspicuously visible and

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262 linked from the front page. The association must also post on
263 its website any document to be considered and voted on by the
264 owners during the meeting or any document listed on the agenda
265 at least 7 days before the meeting at which the document or the
266 information within the document will be considered.

267 1. Notice of any board meeting, the agenda, and any other
268 document required for the meeting as required by s.
269 718.112(2)(c), which must be posted no later than the date
270 required for notice pursuant to s. 718.112(2)(c).

271 3. The association shall ensure that the information and
272 records described in paragraph (c), which are not permitted to
273 be accessible to unit owners, are not posted on the
274 association's website. If protected information or information
275 restricted from being accessible to unit owners is included in
276 documents that are required to be posted on the association's
277 website, the association shall ensure the information is
278 redacted before posting the documents online.

279 (13) FINANCIAL REPORTING.—Within 90 days after the end of
280 the fiscal year, or annually on a date provided in the bylaws,
281 the association shall prepare and complete, or contract for the
282 preparation and completion of, a financial report for the
283 preceding fiscal year. Within 21 days after the final financial
284 report is completed by the association or received from the
285 third party, but not later than 120 days after the end of the
286 fiscal year or other date as provided in the bylaws, the
287 association shall mail to each unit owner at the address last
288 furnished to the association by the unit owner, or hand deliver
289 to each unit owner, a copy of the most recent financial report
290 or a notice that a copy of the most recent financial report will

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291 be mailed or hand delivered to the unit owner, without charge,
292 within 5 business days after receipt of a written request from
293 the unit owner. The division shall adopt rules setting forth
294 uniform accounting principles and standards to be used by all
295 associations and addressing the financial reporting requirements
296 for multicondominium associations. The rules must include, but
297 not be limited to, standards for presenting a summary of
298 association reserves, including a good faith estimate disclosing
299 the annual amount of reserve funds that would be necessary for
300 the association to fully fund reserves for each reserve item
301 based on the straight-line accounting method. This disclosure is
302 not applicable to reserves funded via the pooling method. In
303 adopting such rules, the division shall consider the number of
304 members and annual revenues of an association. Financial reports
305 shall be prepared as follows:

306 (e) A unit owner may provide written notice to the division
307 of the association's failure to mail or hand deliver him or her
308 a copy of the most recent financial report within 5 business
309 days after he or she submitted a written request to the
310 association for a copy of such report. If the division
311 determines that the association failed to mail or hand deliver a
312 copy of the most recent financial report to the unit owner, the
313 division shall provide written notice to the association that
314 the association must mail or hand deliver a copy of the most
315 recent financial report to the unit owner and the division
316 within 5 business days after it receives such notice from the
317 division. An association that fails to comply with the
318 division's request may not waive the financial reporting
319 requirement provided in paragraph (d) for the fiscal year in

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320 which the unit owner's request was made and the following fiscal
321 year. A financial report received by the division pursuant to
322 this paragraph shall be maintained, and the division shall
323 provide a copy of such report to an association member upon his
324 or her request.

325 Section 2. Paragraphs (a), (c), (d), and (j) of subsection
326 (2) of section 718.112, Florida Statutes, are amended to read:

327 718.112 Bylaws.—

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

331 (a) *Administration.*—

332 1. The form of administration of the association shall be
333 described indicating the title of the officers and board of
334 administration and specifying the powers, duties, manner of
335 selection and removal, and compensation, if any, of officers and
336 boards. In the absence of such a provision, the board of
337 administration shall be composed of five members, unless the
338 ~~except in the case of a condominium which~~ has five or fewer
339 units. The board shall consist of not fewer than three members
340 in condominiums with five or fewer units that are not-for-profit
341 corporations, ~~in which case in a not-for-profit corporation the~~
342 ~~board shall consist of not fewer than three members.~~ In the
343 absence of provisions to the contrary in the bylaws, the board
344 of administration shall have a president, a secretary, and a
345 treasurer, who shall perform the duties of such officers
346 customarily performed by officers of corporations. Unless
347 prohibited in the bylaws, the board of administration may
348 appoint other officers and grant them the duties it deems

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349 appropriate. Unless otherwise provided in the bylaws, the
350 officers shall serve without compensation and at the pleasure of
351 the board of administration. Unless otherwise provided in the
352 bylaws, the members of the board shall serve without
353 compensation.

354 2. When a unit owner of a residential condominium files a
355 written inquiry by certified mail with the board of
356 administration, the board shall respond in writing to the unit
357 owner within 30 days after receipt of the inquiry. The board's
358 response shall either give a substantive response to the
359 inquirer, notify the inquirer that a legal opinion has been
360 requested, or notify the inquirer that advice has been requested
361 from the division. If the board requests advice from the
362 division, the board shall, within 10 days after its receipt of
363 the advice, provide in writing a substantive response to the
364 inquirer. If a legal opinion is requested, the board shall,
365 within 60 days after the receipt of the inquiry, provide in
366 writing a substantive response to the inquiry. The failure to
367 provide a substantive response to the inquiry as provided herein
368 precludes the board from recovering attorney fees and costs in
369 any subsequent litigation, administrative proceeding, or
370 arbitration arising out of the inquiry. The association may
371 through its board of administration adopt reasonable rules and
372 regulations regarding the frequency and manner of responding to
373 unit owner inquiries, one of which may be that the association
374 is only obligated to respond to one written inquiry per unit in
375 any given 30-day period. In such a case, any additional inquiry
376 or inquiries must be responded to in the subsequent 30-day
377 period, or periods, as applicable.

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378 (c) *Board of administration meetings.*—Meetings of the board
379 of administration at which a quorum of the members is present
380 are open to all unit owners. Members of the board of
381 administration may use e-mail as a means of communication but
382 may not cast a vote on an association matter via e-mail. A unit
383 owner may tape record or videotape the meetings. The right to
384 attend such meetings includes the right to speak at such
385 meetings with reference to all designated agenda items. The
386 division shall adopt reasonable rules governing the tape
387 recording and videotaping of the meeting. The association may
388 adopt written reasonable rules governing the frequency,
389 duration, and manner of unit owner statements.

390 1. Adequate notice of all board meetings, which must
391 specifically identify all agenda items, must be posted
392 conspicuously on the condominium property at least 48 continuous
393 hours before the meeting except in an emergency. If 20 percent
394 of the voting interests petition the board to address an item of
395 business, the board, within 60 days after receipt of the
396 petition, shall place the item on the agenda at its next regular
397 board meeting or at a special meeting called for that purpose.
398 An item not included on the notice may be taken up on an
399 emergency basis by a vote of at least a majority plus one of the
400 board members. Such emergency action must be noticed and
401 ratified at the next regular board meeting. ~~However,~~ Written
402 notice of a meeting at which a nonemergency special assessment
403 or an amendment to rules regarding unit use will be considered
404 must be mailed, delivered, or electronically transmitted to the
405 unit owners and posted conspicuously on the condominium property
406 at least 14 days before the meeting. Evidence of compliance with

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407 this 14-day notice requirement must be made by an affidavit
408 executed by the person providing the notice and filed with the
409 official records of the association. Notice of any meeting in
410 which regular or special assessments against unit owners are to
411 be considered must specifically state that assessments will be
412 considered and provide the estimated cost and description of the
413 purposes for such assessments. Upon notice to the unit owners,
414 the board shall, by duly adopted rule, designate a specific
415 location on the condominium ~~or association~~ property where all
416 notices of board meetings must be posted. If there is no
417 condominium property ~~or association property~~ where notices can
418 be posted, notices shall be mailed, delivered, or electronically
419 transmitted to each unit owner at least 14 days before the
420 meeting. In lieu of or in addition to the physical posting of
421 the notice on the condominium property, the association may, by
422 reasonable rule, adopt a procedure for conspicuously posting and
423 repeatedly broadcasting the notice and the agenda on a closed-
424 circuit cable television system serving the condominium
425 association. However, if broadcast notice is used in lieu of a
426 notice physically posted on condominium property, the notice and
427 agenda must be broadcast at least four times every broadcast
428 hour of each day that a posted notice is otherwise required
429 under this section. If broadcast notice is provided, the notice
430 and agenda must be broadcast in a manner and for a sufficient
431 continuous length of time so as to allow an average reader to
432 observe the notice and read and comprehend the entire content of
433 the notice and the agenda. In addition to any of the authorized
434 means of providing notice of a meeting of the board, the
435 association may, by rule, adopt a procedure for conspicuously

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436 posting the meeting notice and the agenda on the condominium
437 association's website for at least the minimum period of time
438 for which a notice of a meeting is also required to be
439 physically posted on the condominium property. Any rule adopted,
440 in addition to other matters, must include a requirement that
441 the association send an electronic notice in the same manner as
442 a notice for a meeting of the members, which must include a
443 hyperlink to the website where the notice is posted, to unit
444 owners whose e-mail addresses are included in the association's
445 official records ~~Notice of any meeting in which regular or~~
446 ~~special assessments against unit owners are to be considered~~
447 ~~must specifically state that assessments will be considered and~~
448 ~~provide the nature, estimated cost, and description of the~~
449 ~~purposes for such assessments.~~

450 2. Meetings of a committee to take final action on behalf
451 of the board or make recommendations to the board regarding the
452 association budget are subject to this paragraph. Meetings of a
453 committee that does not take final action on behalf of the board
454 or make recommendations to the board regarding the association
455 budget are subject to this section, unless those meetings are
456 exempted from this section by the bylaws of the association.

457 3. Notwithstanding any other law, the requirement that
458 board meetings and committee meetings be open to the unit owners
459 does not apply to:

460 a. Meetings between the board or a committee and the
461 association's attorney, with respect to proposed or pending
462 litigation, if the meeting is held for the purpose of seeking or
463 rendering legal advice; or

464 b. Board meetings held for the purpose of discussing

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465 personnel matters.

466 (d) *Unit owner meetings.*—

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

473 2. Unless the bylaws provide otherwise, a vacancy on the
474 board caused by the expiration of a director's term shall be
475 filled by electing a new board member, and the election must be
476 by secret ballot. An election is not required if the number of
477 vacancies equals or exceeds the number of candidates. For
478 purposes of this paragraph, the term "candidate" means an
479 eligible person who has timely submitted the written notice, as
480 described in sub-subparagraph 4.a., of his or her intention to
481 become a candidate. Except in a timeshare or nonresidential
482 condominium, or if the staggered term of a board member does not
483 expire until a later annual meeting, or if all members' terms
484 would otherwise expire but there are no candidates, the terms of
485 all board members expire at the annual meeting, and such members
486 may stand for reelection unless prohibited by the bylaws. Board
487 members may serve 2-year terms if permitted by the bylaws or
488 articles of incorporation. A board member may not serve more
489 than four consecutive 2-year terms, unless approved by an
490 affirmative vote of two-thirds of the total voting interests of
491 the association or unless there are not enough eligible
492 candidates to fill the vacancies on the board at the time of the
493 vacancy. If the number of board members whose terms expire at

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494 the annual meeting equals or exceeds the number of candidates,
495 the candidates become members of the board effective upon the
496 adjournment of the annual meeting. Unless the bylaws provide
497 otherwise, any remaining vacancies shall be filled by the
498 affirmative vote of the majority of the directors making up the
499 newly constituted board even if the directors constitute less
500 than a quorum or there is only one director. In a residential
501 condominium association of more than 10 units or in a
502 residential condominium association that does not include
503 timeshare units or timeshare interests, coowners of a unit may
504 not serve as members of the board of directors at the same time
505 unless they own more than one unit or unless there are not
506 enough eligible candidates to fill the vacancies on the board at
507 the time of the vacancy. A unit owner in a residential
508 condominium desiring to be a candidate for board membership must
509 comply with sub-subparagraph 4.a. and must be eligible to be a
510 candidate to serve on the board of directors at the time of the
511 deadline for submitting a notice of intent to run in order to
512 have his or her name listed as a proper candidate on the ballot
513 or to serve on the board. A person who has been suspended or
514 removed by the division under this chapter, or who is delinquent
515 in the payment of any monetary obligation due to the
516 association, is not eligible to be a candidate for board
517 membership and may not be listed on the ballot. A person who has
518 been convicted of any felony in this state or in a United States
519 District or Territorial Court, or who has been convicted of any
520 offense in another jurisdiction which would be considered a
521 felony if committed in this state, is not eligible for board
522 membership unless such felon's civil rights have been restored

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523 for at least 5 years as of the date such person seeks election
524 to the board. The validity of an action by the board is not
525 affected if it is later determined that a board member is
526 ineligible for board membership due to having been convicted of
527 a felony. This subparagraph does not limit the term of a member
528 of the board of a nonresidential or timeshare condominium.

529 3. The bylaws must provide the method of calling meetings
530 of unit owners, including annual meetings. Written notice must
531 include an agenda, must be mailed, hand delivered, or
532 electronically transmitted to each unit owner at least 14 days
533 before the annual meeting, and must be posted in a conspicuous
534 place on the condominium property at least 14 continuous days
535 before the annual meeting. Upon notice to the unit owners, the
536 board shall, by duly adopted rule, designate a specific location
537 on the condominium property ~~or association property~~ where all
538 notices of unit owner meetings shall be posted. This requirement
539 does not apply if there is no condominium property ~~or~~
540 ~~association property~~ for posting notices. In lieu of, or in
541 addition to, the physical posting of meeting notices, the
542 association may, by reasonable rule, adopt a procedure for
543 conspicuously posting and repeatedly broadcasting the notice and
544 the agenda on a closed-circuit cable television system serving
545 the condominium association. However, if broadcast notice is
546 used in lieu of a notice posted physically on the condominium
547 property, the notice and agenda must be broadcast at least four
548 times every broadcast hour of each day that a posted notice is
549 otherwise required under this section. If broadcast notice is
550 provided, the notice and agenda must be broadcast in a manner
551 and for a sufficient continuous length of time so as to allow an

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552 average reader to observe the notice and read and comprehend the
553 entire content of the notice and the agenda. In addition to any
554 of the authorized means of providing notice of a meeting of the
555 board, the association may, by rule, adopt a procedure for
556 conspicuously posting the meeting notice and the agenda on the
557 condominium association's website for at least the minimum
558 period of time for which a notice of a meeting is also required
559 to be physically posted on the condominium property. Any rule
560 adopted, in addition to other matters, must include a
561 requirement that the association send an electronic notice in
562 the same manner as a notice for a meeting of the members, which
563 must include a hyperlink to the website where the notice is
564 posted, to unit owners whose e-mail addresses are included in
565 the association's official records. Unless a unit owner waives
566 in writing the right to receive notice of the annual meeting,
567 such notice must be hand delivered, mailed, or electronically
568 transmitted to each unit owner. Notice for meetings and notice
569 for all other purposes must be mailed to each unit owner at the
570 address last furnished to the association by the unit owner, or
571 hand delivered to each unit owner. However, if a unit is owned
572 by more than one person, the association must provide notice to
573 the address that the developer identifies for that purpose and
574 thereafter as one or more of the owners of the unit advise the
575 association in writing, or if no address is given or the owners
576 of the unit do not agree, to the address provided on the deed of
577 record. An officer of the association, or the manager or other
578 person providing notice of the association meeting, must provide
579 an affidavit or United States Postal Service certificate of
580 mailing, to be included in the official records of the

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581 association affirming that the notice was mailed or hand
582 delivered in accordance with this provision.

583 4. The members of the board of a residential condominium
584 shall be elected by written ballot or voting machine. Proxies
585 may not be used in electing the board in general elections or
586 elections to fill vacancies caused by recall, resignation, or
587 otherwise, unless otherwise provided in this chapter. This
588 subparagraph does not apply to an association governing a
589 timeshare condominium.

590 a. At least 60 days before a scheduled election, the
591 association shall mail, deliver, or electronically transmit, by
592 separate association mailing or included in another association
593 mailing, delivery, or transmission, including regularly
594 published newsletters, to each unit owner entitled to a vote, a
595 first notice of the date of the election. A unit owner or other
596 eligible person desiring to be a candidate for the board must
597 give written notice of his or her intent to be a candidate to
598 the association at least 40 days before a scheduled election.
599 Together with the written notice and agenda as set forth in
600 subparagraph 3., the association shall mail, deliver, or
601 electronically transmit a second notice of the election to all
602 unit owners entitled to vote, together with a ballot that lists
603 all candidates. Upon request of a candidate, an information
604 sheet, no larger than 8 1/2 inches by 11 inches, which must be
605 furnished by the candidate at least 35 days before the election,
606 must be included with the mailing, delivery, or transmission of
607 the ballot, with the costs of mailing, delivery, or electronic
608 transmission and copying to be borne by the association. The
609 association is not liable for the contents of the information

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610 sheets prepared by the candidates. In order to reduce costs, the
611 association may print or duplicate the information sheets on
612 both sides of the paper. The division shall by rule establish
613 voting procedures consistent with this sub-subparagraph,
614 including rules establishing procedures for giving notice by
615 electronic transmission and rules providing for the secrecy of
616 ballots. Elections shall be decided by a plurality of ballots
617 cast. There is no quorum requirement; however, at least 20
618 percent of the eligible voters must cast a ballot in order to
619 have a valid election. A unit owner may not permit any other
620 person to vote his or her ballot, and any ballots improperly
621 cast are invalid. A unit owner who violates this provision may
622 be fined by the association in accordance with s. 718.303. A
623 unit owner who needs assistance in casting the ballot for the
624 reasons stated in s. 101.051 may obtain such assistance. The
625 regular election must occur on the date of the annual meeting.
626 Notwithstanding this sub-subparagraph, an election is not
627 required unless more candidates file notices of intent to run or
628 are nominated than board vacancies exist.

629 b. Within 90 days after being elected or appointed to the
630 board of an association of a residential condominium, each newly
631 elected or appointed director shall certify in writing to the
632 secretary of the association that he or she has read the
633 association's declaration of condominium, articles of
634 incorporation, bylaws, and current written policies; that he or
635 she will work to uphold such documents and policies to the best
636 of his or her ability; and that he or she will faithfully
637 discharge his or her fiduciary responsibility to the
638 association's members. In lieu of this written certification,

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639 within 90 days after being elected or appointed to the board,
640 the newly elected or appointed director may submit a certificate
641 of having satisfactorily completed the educational curriculum
642 administered by a division-approved condominium education
643 provider within 1 year before or 90 days after the date of
644 election or appointment. The written certification or
645 educational certificate is valid and does not have to be
646 resubmitted as long as the director serves on the board without
647 interruption. A director of an association of a residential
648 condominium who fails to timely file the written certification
649 or educational certificate is suspended from service on the
650 board until he or she complies with this sub-subparagraph. The
651 board may temporarily fill the vacancy during the period of
652 suspension. The secretary shall cause the association to retain
653 a director's written certification or educational certificate
654 for inspection by the members for 5 years after a director's
655 election or the duration of the director's uninterrupted tenure,
656 whichever is longer. Failure to have such written certification
657 or educational certificate on file does not affect the validity
658 of any board action.

659 c. Any challenge to the election process must be commenced
660 within 60 days after the election results are announced.

661 5. Any approval by unit owners called for by this chapter
662 or the applicable declaration or bylaws, including, but not
663 limited to, the approval requirement in s. 718.111(8), must be
664 made at a duly noticed meeting of unit owners and is subject to
665 all requirements of this chapter or the applicable condominium
666 documents relating to unit owner decisionmaking, except that
667 unit owners may take action by written agreement, without

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668 meetings, on matters for which action by written agreement
669 without meetings is expressly allowed by the applicable bylaws
670 or declaration or any law that provides for such action.

671 6. Unit owners may waive notice of specific meetings if
672 allowed by the applicable bylaws or declaration or any law.
673 Notice of meetings of the board of administration, unit owner
674 meetings, except unit owner meetings called to recall board
675 members under paragraph (j), and committee meetings may be given
676 by electronic transmission to unit owners who consent to receive
677 notice by electronic transmission. A unit owner who consents to
678 receiving notices by electronic transmission is solely
679 responsible for removing or bypassing filters that block receipt
680 of mass e-mails sent to members on behalf of the association in
681 the course of giving electronic notices.

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

686 8. A unit owner may tape record or videotape a meeting of
687 the unit owners subject to reasonable rules adopted by the
688 division.

689 9. Unless otherwise provided in the bylaws, any vacancy
690 occurring on the board before the expiration of a term may be
691 filled by the affirmative vote of the majority of the remaining
692 directors, even if the remaining directors constitute less than
693 a quorum, or by the sole remaining director. In the alternative,
694 a board may hold an election to fill the vacancy, in which case
695 the election procedures must conform to sub-subparagraph 4.a.
696 unless the association governs 10 units or fewer and has opted

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697 out of the statutory election process, in which case the bylaws
698 of the association control. Unless otherwise provided in the
699 bylaws, a board member appointed or elected under this section
700 shall fill the vacancy for the unexpired term of the seat being
701 filled. Filling vacancies created by recall is governed by
702 paragraph (j) and rules adopted by the division.

703 10. This chapter does not limit the use of general or
704 limited proxies, require the use of general or limited proxies,
705 or require the use of a written ballot or voting machine for any
706 agenda item or election at any meeting of a timeshare
707 condominium association or nonresidential condominium
708 association.

709
710 Notwithstanding subparagraph (b)2. and sub-subparagraph 4.a., an
711 association of 10 or fewer units may, by affirmative vote of a
712 majority of the total voting interests, provide for different
713 voting and election procedures in its bylaws, which may be by a
714 proxy specifically delineating the different voting and election
715 procedures. The different voting and election procedures may
716 provide for elections to be conducted by limited or general
717 proxy.

718 (j) *Recall of board members.*—Subject to s. 718.301, any
719 member of the board of administration may be recalled and
720 removed from office with or without cause by the vote or
721 agreement in writing by a majority of all the voting interests.
722 A special meeting of the unit owners to recall a member or
723 members of the board of administration may be called by 10
724 percent of the voting interests giving notice of the meeting as
725 required for a meeting of unit owners, and the notice shall

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726 state the purpose of the meeting. Electronic transmission may
727 not be used as a method of giving notice of a meeting called in
728 whole or in part for this purpose.

729 1. If the recall is approved by a majority of all voting
730 interests by a vote at a meeting, the recall will be effective
731 as provided in this paragraph. The board shall duly notice and
732 hold a board meeting within 5 full business days after the
733 adjournment of the unit owner meeting to recall one or more
734 board members. Such member or members shall be recalled
735 effective immediately upon conclusion of the board meeting
736 provided that the recall is facially valid. A recalled member
737 must ~~and shall~~ turn over to the board, within 10 full business
738 days after the vote, any and all records and property of the
739 association in their possession.

740 2. If the proposed recall is by an agreement in writing by
741 a majority of all voting interests, the agreement in writing or
742 a copy thereof shall be served on the association by certified
743 mail or by personal service in the manner authorized by chapter
744 48 and the Florida Rules of Civil Procedure. The board of
745 administration shall duly notice and hold a meeting of the board
746 within 5 full business days after receipt of the agreement in
747 writing. Such member or members shall be recalled effective
748 immediately upon the conclusion of the board meeting provided
749 that the recall is facially valid. A recalled member ~~and~~ shall
750 turn over to the board, within 10 full business days, any and
751 all records and property of the association in their possession.

752 3. If the board fails to duly notice and hold a board
753 meeting within 5 full business days after service of an
754 agreement in writing or within 5 full business days after the

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755 adjournment of the unit owner recall meeting, the recall shall
756 be deemed effective and the board members so recalled shall turn
757 over to the board within 10 full business days after the vote
758 any and all records and property of the association.

759 4. If the board fails to duly notice and hold the required
760 meeting ~~or fails to file the required petition~~, the unit owner
761 representative may file a petition pursuant to s. 718.1255
762 challenging the board's failure to act. The petition must be
763 filed within 60 days after the expiration of the applicable 5-
764 full-business-day period. The review of a petition under this
765 subparagraph is limited to the sufficiency of service on the
766 board and the facial validity of the written agreement or
767 ballots filed.

768 5. If a vacancy occurs on the board as a result of a recall
769 or removal and less than a majority of the board members are
770 removed, the vacancy may be filled by the affirmative vote of a
771 majority of the remaining directors, notwithstanding any
772 provision to the contrary contained in this subsection. If
773 vacancies occur on the board as a result of a recall and a
774 majority or more of the board members are removed, the vacancies
775 shall be filled in accordance with procedural rules to be
776 adopted by the division, which rules need not be consistent with
777 this subsection. The rules must provide procedures governing the
778 conduct of the recall election as well as the operation of the
779 association during the period after a recall but before the
780 recall election.

781 6. A board member who has been recalled may file a petition
782 pursuant to s. 718.1255 challenging the validity of the recall.
783 The petition must be filed within 60 days after the recall. The

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784 association and the unit owner representative shall be named as
785 the respondents. The petition may challenge the facial validity
786 of the written agreement or ballots filed or the substantial
787 compliance with the procedural requirements for the recall. If
788 the arbitrator determines the recall was invalid, the
789 petitioning board member shall immediately be reinstated and the
790 recall is null and void. A board member who is successful in
791 challenging a recall is entitled to recover reasonable attorney
792 fees and costs from the respondents. The arbitrator may award
793 reasonable attorney fees and costs to the respondents if they
794 prevail and the arbitrator makes a finding that the petitioner's
795 claim is frivolous.

796 7. The division may not accept for filing a recall
797 petition, whether filed pursuant to subparagraph 1.,
798 subparagraph 2., subparagraph 4., or subparagraph 6. when there
799 are 60 or fewer days until the scheduled reelection of the board
800 member sought to be recalled or when 60 or fewer days have
801 elapsed since the election of the board member sought to be
802 recalled.

803 Section 3. Subsection (2) of section 718.113, Florida
804 Statutes, is amended to read:

805 718.113 Maintenance; limitation upon improvement; display
806 of flag; hurricane shutters and protection; display of religious
807 decorations.—

808 (2) (a) Except as otherwise provided in this section, there
809 shall be no material alteration or substantial additions to the
810 common elements or to real property which is association
811 property, except in a manner provided in the declaration as
812 originally recorded or as amended under the procedures provided

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813 therein. If the declaration as originally recorded or as amended
814 under the procedures provided therein does not specify the
815 procedure for approval of material alterations or substantial
816 additions, 75 percent of the total voting interests of the
817 association must approve the alterations or additions before the
818 material alterations or substantial additions are commenced.

819 This paragraph is intended to clarify existing law and applies
820 to associations existing on July 1, 2018 ~~October 1, 2008~~.

821 (b) There may ~~shall~~ not be any material alteration of, or
822 substantial addition to, the common elements of any condominium
823 operated by a multicondominium association unless approved in
824 the manner provided in the declaration of the affected
825 condominium or condominiums as originally recorded or as amended
826 under the procedures provided therein. If a declaration as
827 originally recorded or as amended under the procedures provided
828 therein does not specify a procedure for approving such an
829 alteration or addition, the approval of 75 percent of the total
830 voting interests of each affected condominium is required before
831 the material alterations or substantial additions are commenced.

832 This subsection does not prohibit a provision in any
833 declaration, articles of incorporation, or bylaws as originally
834 recorded or as amended under the procedures provided therein
835 requiring the approval of unit owners in any condominium
836 operated by the same association or requiring board approval
837 before a material alteration or substantial addition to the
838 common elements is permitted. This paragraph is intended to
839 clarify existing law and applies to associations existing on
840 July 1, 2018 ~~the effective date of this act.~~

841 (c) There may ~~shall~~ not be any material alteration or

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842 substantial addition made to association real property operated
843 by a multicondominium association, except as provided in the
844 declaration, articles of incorporation, or bylaws as originally
845 recorded or as amended under the procedures provided therein. If
846 the declaration, articles of incorporation, or bylaws as
847 originally recorded or as amended under the procedures provided
848 therein do not specify the procedure for approving an alteration
849 or addition to association real property, the approval of 75
850 percent of the total voting interests of the association is
851 required before the material alterations or substantial
852 additions are commenced. This paragraph is intended to clarify
853 existing law and applies to associations existing on July 1,
854 2018 ~~the effective date of this act.~~

855 Section 4. Subsection (3) of section 718.3026, Florida
856 Statutes, is amended to read:

857 718.3026 Contracts for products and services; in writing;
858 bids; exceptions.—Associations with 10 or fewer units may opt
859 out of the provisions of this section if two-thirds of the unit
860 owners vote to do so, which opt-out may be accomplished by a
861 proxy specifically setting forth the exception from this
862 section.

863 ~~(3) As to any contract or other transaction between an~~
864 ~~association and one or more of its directors or any other~~
865 ~~corporation, firm, association, or entity in which one or more~~
866 ~~of its directors are directors or officers or are financially~~
867 ~~interested:~~

868 ~~(a) The association shall comply with the requirements of~~
869 ~~s. 617.0832.~~

870 ~~(b) The disclosures required by s. 617.0832 shall be~~

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871 ~~entered into the written minutes of the meeting.~~

872 ~~(c) Approval of the contract or other transaction shall~~
873 ~~require an affirmative vote of two-thirds of the directors~~
874 ~~present.~~

875 ~~(d) At the next regular or special meeting of the members,~~
876 ~~the existence of the contract or other transaction shall be~~
877 ~~disclosed to the members. Upon motion of any member, the~~
878 ~~contract or transaction shall be brought up for a vote and may~~
879 ~~be canceled by a majority vote of the members present. Should~~
880 ~~the members cancel the contract, the association shall only be~~
881 ~~liable for the reasonable value of goods and services provided~~
882 ~~up to the time of cancellation and shall not be liable for any~~
883 ~~termination fee, liquidated damages, or other form of penalty~~
884 ~~for such cancellation.~~

885 Section 5. Section 718.3027, Florida Statutes, is amended
886 to read:

887 718.3027 Conflicts of interest.—

888 (1) Directors and officers of a board of an association
889 that is not a timeshare condominium association, and the
890 relatives of such directors and officers, must disclose to the
891 board any activity that may reasonably be construed to be a
892 conflict of interest. A rebuttable presumption of a conflict of
893 interest exists if any of the following occurs without prior
894 notice, as required in subsection (5) ~~(4)~~:

895 (a) A director or an officer, or a relative of a director
896 or an officer, enters into a contract for goods or services with
897 the association.

898 (b) A director or an officer, or a relative of a director
899 or an officer, holds an interest in a corporation, limited

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900 liability corporation, partnership, limited liability
901 partnership, or other business entity that conducts business
902 with the association or proposes to enter into a contract or
903 other transaction with the association.

904 (2) If a director or an officer, or a relative of a
905 director or an officer, proposes to engage in an activity that
906 is a conflict of interest, as described in subsection (1), the
907 proposed activity must be listed on, and all contracts and
908 transactional documents related to the proposed activity must be
909 attached to, the meeting agenda. The association shall comply
910 with the requirements of s. 617.0832, and the disclosures
911 required by s. 617.0832 must be entered into the written minutes
912 of the meeting. Approval of the contract or other transaction
913 requires an affirmative vote of two-thirds of all other
914 directors present. At the next regular or special meeting of the
915 members, the existence of the contract or other transaction must
916 be disclosed to the members. Upon motion of any member, the
917 contract or transaction must be brought up for a vote and may be
918 canceled by a majority vote of the members present. If the
919 contract is canceled, the association is liable only for the
920 reasonable value of the goods and services provided up to the
921 time of cancellation and is not liable for any termination fee,
922 liquidated damages, or other form of penalty for such
923 cancellation.

924 (3) If the board votes against the proposed activity, the
925 director or officer, or the relative of the director or officer,
926 must notify the board in writing of his or her intention not to
927 pursue the proposed activity or to withdraw from office. If the
928 board finds that an officer or a director has violated this

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929 subsection, the officer or director shall be deemed removed from
930 office. The vacancy shall be filled according to general law.

931 (4)~~(3)~~ A director or an officer, or a relative of a
932 director or an officer, who is a party to, or has an interest
933 in, an activity that is a possible conflict of interest, as
934 described in subsection (1), may attend the meeting at which the
935 activity is considered by the board and is authorized to make a
936 presentation to the board regarding the activity. After the
937 presentation, the director or officer, or the relative of the
938 director or officer, must leave the meeting during the
939 discussion of, and the vote on, the activity. A director or an
940 officer who is a party to, or has an interest in, the activity
941 must recuse himself or herself from the vote.

942 (5)~~(4)~~ A contract entered into between a director or an
943 officer, or a relative of a director or an officer, and the
944 association, which is not a timeshare condominium association,
945 that has not been properly disclosed as a conflict of interest
946 or potential conflict of interest as required by s.
947 718.111(12)(g) is voidable and terminates upon the filing of a
948 written notice terminating the contract with the board of
949 directors which contains the consent of at least 20 percent of
950 the voting interests of the association.

951 (6)~~(5)~~ As used in this section, the term "relative" means a
952 relative within the third degree of consanguinity by blood or
953 marriage.

954 Section 6. Paragraph (b) of subsection (3) of section
955 718.303, Florida Statutes, is amended to read:

956 718.303 Obligations of owners and occupants; remedies.—

957 (3) The association may levy reasonable fines for the

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958 failure of the owner of the unit or its occupant, licensee, or
959 invitee to comply with any provision of the declaration, the
960 association bylaws, or reasonable rules of the association. A
961 fine may not become a lien against a unit. A fine may be levied
962 by the board on the basis of each day of a continuing violation,
963 with a single notice and opportunity for hearing before a
964 committee as provided in paragraph (b). However, the fine may
965 not exceed \$100 per violation, or \$1,000 in the aggregate.

966 (b) A fine or suspension levied by the board of
967 administration may not be imposed unless the board first
968 provides at least 14 days' written notice ~~and an opportunity for~~
969 ~~a hearing~~ to the unit owner and, if applicable, to any its
970 occupant, licensee, or invitee of the unit owner sought to be
971 fined or suspended and provides an opportunity for a hearing.
972 ~~The hearing must be held~~ before a committee of at least three
973 members appointed by the board who are not officers, directors,
974 or employees of the association, or the spouse, parent, child,
975 brother, or sister of an officer, director, or employee other
976 ~~unit owners who are neither board members nor persons residing~~
977 ~~in a board member's household.~~ The role of the committee is
978 limited to determining whether to confirm or reject the fine or
979 suspension levied by the board. If the committee does not
980 approve ~~agree~~, the proposed fine or suspension by majority vote,
981 the fine or suspension may not be imposed. If the proposed fine
982 or suspension is approved by the committee, the fine payment is
983 due 5 days after the date of the committee meeting at which the
984 fine is approved. The association must provide written notice of
985 such fine or suspension by mail or hand delivery to the unit
986 owner and, if applicable, to any tenant, licensee, or invitee of

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987 the unit owner.

988 Section 7. Section 718.707, Florida Statutes, is amended to
989 read:

990 718.707 Time limitation for classification as bulk assignee
991 or bulk buyer.—A person acquiring condominium parcels may not be
992 classified as a bulk assignee or bulk buyer unless the
993 condominium parcels were acquired on or after July 1, 2010, ~~but~~
994 ~~before July 1, 2018~~. The date of such acquisition shall be
995 determined by the date of recording a deed or other instrument
996 of conveyance for such parcels in the public records of the
997 county in which the condominium is located, or by the date of
998 issuing a certificate of title in a foreclosure proceeding with
999 respect to such condominium parcels.

1000 Section 8. Paragraphs (a) and (b) of subsection (2) of
1001 section 719.104, Florida Statutes, are amended to read:

1002 719.104 Cooperatives; access to units; records; financial
1003 reports; assessments; purchase of leases.—

1004 (2) OFFICIAL RECORDS.—

1005 (a) From the inception of the association, the association
1006 shall maintain a copy of each of the following, where
1007 applicable, which shall constitute the official records of the
1008 association:

1009 1. The plans, permits, warranties, and other items provided
1010 by the developer pursuant to s. 719.301(4).

1011 2. A photocopy of the cooperative documents.

1012 3. A copy of the current rules of the association.

1013 4. A book or books containing the minutes of all meetings
1014 of the association, of the board of directors, and of the unit
1015 owners, ~~which minutes shall be retained for a period of not less~~

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1016 ~~than 7 years.~~

1017 5. A current roster of all unit owners and their mailing
1018 addresses, unit identifications, voting certifications, and, if
1019 known, telephone numbers. The association shall also maintain
1020 the electronic mailing addresses and the numbers designated by
1021 unit owners for receiving notice sent by electronic transmission
1022 of those unit owners consenting to receive notice by electronic
1023 transmission. The electronic mailing addresses and numbers
1024 provided by unit owners to receive notice by electronic
1025 transmission shall be removed from association records when
1026 consent to receive notice by electronic transmission is revoked.
1027 However, the association is not liable for an erroneous
1028 disclosure of the electronic mail address or the number for
1029 receiving electronic transmission of notices.

1030 6. All current insurance policies of the association.

1031 7. A current copy of any management agreement, lease, or
1032 other contract to which the association is a party or under
1033 which the association or the unit owners have an obligation or
1034 responsibility.

1035 8. Bills of sale or transfer for all property owned by the
1036 association.

1037 9. Accounting records for the association and separate
1038 accounting records for each unit it operates, according to good
1039 accounting practices. ~~All accounting records shall be maintained~~
1040 ~~for a period of not less than 7 years.~~ The accounting records
1041 must ~~shall~~ include, but not be limited to:

1042 a. Accurate, itemized, and detailed records of all receipts
1043 and expenditures.

1044 b. A current account and a monthly, bimonthly, or quarterly

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1045 statement of the account for each unit designating the name of
1046 the unit owner, the due date and amount of each assessment, the
1047 amount paid upon the account, and the balance due.

1048 c. All audits, reviews, accounting statements, and
1049 financial reports of the association.

1050 d. All contracts for work to be performed. Bids for work to
1051 be performed shall also be considered official records and shall
1052 be maintained for a period of 1 year.

1053 10. Ballots, sign-in sheets, voting proxies, and all other
1054 papers and electronic records relating to voting by unit owners,
1055 which shall be maintained for a period of 1 year after the date
1056 of the election, vote, or meeting to which the document relates.

1057 11. All rental records where the association is acting as
1058 agent for the rental of units.

1059 12. A copy of the current question and answer sheet as
1060 described in s. 719.504.

1061 13. All other written records of the association not
1062 specifically included in the foregoing which are related to the
1063 operation of the association.

1064 (b) The official records of the association must be
1065 maintained within the state for at least 7 years. The records of
1066 the association must ~~shall~~ be made available to a unit owner
1067 within 45 miles of the cooperative property or within the county
1068 in which the cooperative property is located within 10 ~~5~~ working
1069 days after receipt of written request by the board or its
1070 designee. This paragraph may be complied with by having a copy
1071 of the official records of the association available for
1072 inspection or copying on the cooperative property or the
1073 association may offer the option of making the records available

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1074 to a unit owner electronically via the Internet or by allowing
1075 the records to be viewed in an electronic format on a computer
1076 screen and printed upon request. The association is not
1077 responsible for the use or misuse of the information provided to
1078 an association member or his or her authorized representative
1079 pursuant to the compliance requirements of this chapter unless
1080 the association has an affirmative duty not to disclose such
1081 information pursuant to this chapter.

1082 Section 9. Paragraphs (a), (c), and (d) of subsection (1)
1083 of section 719.106, Florida Statutes, are amended, and paragraph
1084 (m) is added to that subsection, to read:

1085 719.106 Bylaws; cooperative ownership.—

1086 (1) MANDATORY PROVISIONS.—The bylaws or other cooperative
1087 documents shall provide for the following, and if they do not,
1088 they shall be deemed to include the following:

1089 (a) *Administration*.—

1090 1. The form of administration of the association shall be
1091 described, indicating the titles of the officers and board of
1092 administration and specifying the powers, duties, manner of
1093 selection and removal, and compensation, if any, of officers and
1094 board members. In the absence of such a provision, the board of
1095 administration shall be composed of five members, unless the
1096 cooperative has ~~except in the case of cooperatives having five~~
1097 ~~or fewer units., in which case in not-for-profit corporations,~~
1098 The board shall consist of not fewer than three members in
1099 cooperatives with five or fewer units that are not-for-profit
1100 corporations. In a residential cooperative association of more
1101 than 10 units, co-owners of a unit may not serve as members of
1102 the board of directors at the same time unless the co-owners own

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1103 more than one unit or unless there are not enough eligible
1104 candidates to fill the vacancies on the board at the time of the
1105 vacancy. In the absence of provisions to the contrary, the board
1106 of administration must ~~shall~~ have a president, a secretary, and
1107 a treasurer, who shall perform the duties of those offices
1108 customarily performed by officers of corporations. Unless
1109 prohibited in the bylaws, the board of administration may
1110 appoint other officers and grant them those duties it deems
1111 appropriate. Unless otherwise provided in the bylaws, the
1112 officers shall serve without compensation and at the pleasure of
1113 the board. Unless otherwise provided in the bylaws, the members
1114 of the board shall serve without compensation.

1115 2. A person who has been suspended or removed by the
1116 division under this chapter, or who is delinquent in the payment
1117 of any monetary obligation due to the association, is not
1118 eligible to be a candidate for board membership and may not be
1119 listed on the ballot. A director or officer charged by
1120 information or indictment with a felony theft or embezzlement
1121 offense involving the association's funds or property is
1122 suspended from office. The board shall fill the vacancy
1123 according to general law until the end of the period of the
1124 suspension or the end of the director's term of office,
1125 whichever occurs first. However, if the charges are resolved
1126 without a finding of guilt or without acceptance of a plea of
1127 guilty or nolo contendere, the director or officer shall be
1128 reinstated for any remainder of his or her term of office. A
1129 member who has such criminal charges pending may not be
1130 appointed or elected to a position as a director or officer. A
1131 person who has been convicted of any felony in this state or in

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1132 any United States District Court, or who has been convicted of
1133 any offense in another jurisdiction which would be considered a
1134 felony if committed in this state, is not eligible for board
1135 membership unless such felon's civil rights have been restored
1136 for at least 5 years as of the date such person seeks election
1137 to the board. The validity of an action by the board is not
1138 affected if it is later determined that a board member is
1139 ineligible for board membership due to having been convicted of
1140 a felony.

1141 3. When a unit owner files a written inquiry by certified
1142 mail with the board of administration, the board shall respond
1143 in writing to the unit owner within 30 days of receipt of the
1144 inquiry. The board's response shall either give a substantive
1145 response to the inquirer, notify the inquirer that a legal
1146 opinion has been requested, or notify the inquirer that advice
1147 has been requested from the division. If the board requests
1148 advice from the division, the board shall, within 10 days of its
1149 receipt of the advice, provide in writing a substantive response
1150 to the inquirer. If a legal opinion is requested, the board
1151 shall, within 60 days after the receipt of the inquiry, provide
1152 in writing a substantive response to the inquirer. The failure
1153 to provide a substantive response to the inquirer as provided
1154 herein precludes the board from recovering attorney's fees and
1155 costs in any subsequent litigation, administrative proceeding,
1156 or arbitration arising out of the inquiry. The association may,
1157 through its board of administration, adopt reasonable rules and
1158 regulations regarding the frequency and manner of responding to
1159 the unit owners' inquiries, one of which may be that the
1160 association is obligated to respond to only one written inquiry

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1161 per unit in any given 30-day period. In such case, any
1162 additional inquiry or inquiries must be responded to in the
1163 subsequent 30-day period, or periods, as applicable.

1164 (c) *Board of administration meetings.* Members of the board
1165 of administration may use e-mail as a means of communication but
1166 may not cast a vote on an association matter via e-mail.

1167 Meetings of the board of administration at which a quorum of the
1168 members is present shall be open to all unit owners. Any unit
1169 owner may tape record or videotape meetings of the board of
1170 administration. The right to attend such meetings includes the
1171 right to speak at such meetings with reference to all designated
1172 agenda items. The division shall adopt reasonable rules
1173 governing the tape recording and videotaping of the meeting. The
1174 association may adopt reasonable written rules governing the
1175 frequency, duration, and manner of unit owner statements.

1176 Adequate notice of all meetings shall be posted in a conspicuous
1177 place upon the cooperative property at least 48 continuous hours
1178 preceding the meeting, except in an emergency. Any item not
1179 included on the notice may be taken up on an emergency basis by
1180 at least a majority plus one of the members of the board. Such
1181 emergency action shall be noticed and ratified at the next
1182 regular meeting of the board. Notice of any meeting in which
1183 regular or special assessments against unit owners are to be
1184 considered must specifically state that assessments will be
1185 considered and provide the estimated cost for and description of
1186 the purpose for such assessments. ~~However,~~ Written notice of any
1187 meeting at which nonemergency special assessments, or at which
1188 amendment to rules regarding unit use, will be considered shall
1189 be mailed, delivered, or electronically transmitted to the unit

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1190 owners and posted conspicuously on the cooperative property not
1191 less than 14 days before the meeting. Evidence of compliance
1192 with this 14-day notice shall be made by an affidavit executed
1193 by the person providing the notice and filed among the official
1194 records of the association. Upon notice to the unit owners, the
1195 board shall by duly adopted rule designate a specific location
1196 on the cooperative property upon which all notices of board
1197 meetings shall be posted. In lieu of or in addition to the
1198 physical posting of notice of any meeting of the board of
1199 administration on the cooperative property, the association may,
1200 by reasonable rule, adopt a procedure for conspicuously posting
1201 and repeatedly broadcasting the notice and the agenda on a
1202 closed-circuit cable television system serving the cooperative
1203 association. However, if broadcast notice is used in lieu of a
1204 notice posted physically on the cooperative property, the notice
1205 and agenda must be broadcast at least four times every broadcast
1206 hour of each day that a posted notice is otherwise required
1207 under this section. When broadcast notice is provided, the
1208 notice and agenda must be broadcast in a manner and for a
1209 sufficient continuous length of time so as to allow an average
1210 reader to observe the notice and read and comprehend the entire
1211 content of the notice and the agenda. In addition to any of the
1212 authorized means of providing notice of a meeting of the board,
1213 the association may, by rule, adopt a procedure for
1214 conspicuously posting the meeting notice and the agenda on the
1215 cooperative association's website for at least the minimum
1216 period of time for which a notice of a meeting is also required
1217 to be physically posted on the cooperative property. Any rule
1218 adopted must, in addition to other matters, include a

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1219 requirement that the association send an electronic notice in
1220 the same manner as a notice for a meeting of the members, which
1221 must include a hyperlink to the website where the notice is
1222 posted, to unit owners whose e-mail addresses are included in
1223 the association's official records ~~Notice of any meeting in~~
1224 ~~which regular assessments against unit owners are to be~~
1225 ~~considered for any reason shall specifically contain a statement~~
1226 ~~that assessments will be considered and the nature of any such~~
1227 ~~assessments.~~ Meetings of a committee to take final action on
1228 behalf of the board or to make recommendations to the board
1229 regarding the association budget are subject to the provisions
1230 of this paragraph. Meetings of a committee that does not take
1231 final action on behalf of the board or make recommendations to
1232 the board regarding the association budget are subject to the
1233 provisions of this section, unless those meetings are exempted
1234 from this section by the bylaws of the association.
1235 Notwithstanding any other law to the contrary, the requirement
1236 that board meetings and committee meetings be open to the unit
1237 owners does not apply to board or committee meetings held for
1238 the purpose of discussing personnel matters or meetings between
1239 the board or a committee and the association's attorney, with
1240 respect to proposed or pending litigation, if the meeting is
1241 held for the purpose of seeking or rendering legal advice.

1242 (d) *Shareholder meetings.*—There shall be an annual meeting
1243 of the shareholders. All members of the board of administration
1244 shall be elected at the annual meeting unless the bylaws provide
1245 for staggered election terms or for their election at another
1246 meeting. Any unit owner desiring to be a candidate for board
1247 membership must comply with subparagraph 1. The bylaws must

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1248 provide the method for calling meetings, including annual
1249 meetings. Written notice, which must incorporate an
1250 identification of agenda items, shall be given to each unit
1251 owner at least 14 days before the annual meeting and posted in a
1252 conspicuous place on the cooperative property at least 14
1253 continuous days preceding the annual meeting. Upon notice to the
1254 unit owners, the board must by duly adopted rule designate a
1255 specific location on the cooperative property upon which all
1256 notice of unit owner meetings are posted. In lieu of or in
1257 addition to the physical posting of the meeting notice, the
1258 association may, by reasonable rule, adopt a procedure for
1259 conspicuously posting and repeatedly broadcasting the notice and
1260 the agenda on a closed-circuit cable television system serving
1261 the cooperative association. However, if broadcast notice is
1262 used in lieu of a posted notice, the notice and agenda must be
1263 broadcast at least four times every broadcast hour of each day
1264 that a posted notice is otherwise required under this section.
1265 If broadcast notice is provided, the notice and agenda must be
1266 broadcast in a manner and for a sufficient continuous length of
1267 time to allow an average reader to observe the notice and read
1268 and comprehend the entire content of the notice and the agenda.
1269 In addition to any of the authorized means of providing notice
1270 of a meeting of the shareholders, the association may, by rule,
1271 adopt a procedure for conspicuously posting the meeting notice
1272 and the agenda on the cooperative association's website for at
1273 least the minimum period of time for which a notice of a meeting
1274 is also required to be physically posted on the cooperative
1275 property. Any rule adopted must, in addition to other matters,
1276 include a requirement that the association send an electronic

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1277 notice in the same manner as a notice for a meeting of the
1278 members, which must include a hyperlink to the website where the
1279 notice is posted, to unit owners whose e-mail addresses are
1280 included in the association's official records. Unless a unit
1281 owner waives in writing the right to receive notice of the
1282 annual meeting, the notice of the annual meeting must be sent by
1283 mail, hand delivered, or electronically transmitted to each unit
1284 owner. An officer of the association must provide an affidavit
1285 or United States Postal Service certificate of mailing, to be
1286 included in the official records of the association, affirming
1287 that notices of the association meeting were mailed, hand
1288 delivered, or electronically transmitted, in accordance with
1289 this provision, to each unit owner at the address last furnished
1290 to the association.

1291 1. The board of administration shall be elected by written
1292 ballot or voting machine. A proxy may not be used in electing
1293 the board of administration in general elections or elections to
1294 fill vacancies caused by recall, resignation, or otherwise
1295 unless otherwise provided in this chapter.

1296 a. At least 60 days before a scheduled election, the
1297 association shall mail, deliver, or transmit, whether by
1298 separate association mailing, delivery, or electronic
1299 transmission or included in another association mailing,
1300 delivery, or electronic transmission, including regularly
1301 published newsletters, to each unit owner entitled to vote, a
1302 first notice of the date of the election. Any unit owner or
1303 other eligible person desiring to be a candidate for the board
1304 of administration must give written notice to the association at
1305 least 40 days before a scheduled election. Together with the

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1306 written notice and agenda as set forth in this section, the
1307 association shall mail, deliver, or electronically transmit a
1308 second notice of election to all unit owners entitled to vote,
1309 together with a ballot that lists all candidates. Upon request
1310 of a candidate, the association shall include an information
1311 sheet, no larger than 8 1/2 inches by 11 inches, which must be
1312 furnished by the candidate at least 35 days before the election,
1313 to be included with the mailing, delivery, or electronic
1314 transmission of the ballot, with the costs of mailing, delivery,
1315 or transmission and copying to be borne by the association. The
1316 association is not liable for the contents of the information
1317 sheets provided by the candidates. In order to reduce costs, the
1318 association may print or duplicate the information sheets on
1319 both sides of the paper. The division shall by rule establish
1320 voting procedures consistent with this subparagraph, including
1321 rules establishing procedures for giving notice by electronic
1322 transmission and rules providing for the secrecy of ballots.
1323 Elections shall be decided by a plurality of those ballots cast.
1324 There is no quorum requirement. However, at least 20 percent of
1325 the eligible voters must cast a ballot in order to have a valid
1326 election. A unit owner may not permit any other person to vote
1327 his or her ballot, and any such ballots improperly cast are
1328 invalid. A unit owner who needs assistance in casting the ballot
1329 for the reasons stated in s. 101.051 may obtain assistance in
1330 casting the ballot. Any unit owner violating this provision may
1331 be fined by the association in accordance with s. 719.303. The
1332 regular election must occur on the date of the annual meeting.
1333 This subparagraph does not apply to timeshare cooperatives.
1334 Notwithstanding this subparagraph, an election and balloting are

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1335 not required unless more candidates file a notice of intent to
1336 run or are nominated than vacancies exist on the board. Any
1337 challenge to the election process must be commenced within 60
1338 days after the election results are announced.

1339 b. Within 90 days after being elected or appointed to the
1340 board, each new director shall certify in writing to the
1341 secretary of the association that he or she has read the
1342 association's bylaws, articles of incorporation, proprietary
1343 lease, and current written policies; that he or she will work to
1344 uphold such documents and policies to the best of his or her
1345 ability; and that he or she will faithfully discharge his or her
1346 fiduciary responsibility to the association's members. Within 90
1347 days after being elected or appointed to the board, in lieu of
1348 this written certification, the newly elected or appointed
1349 director may submit a certificate of having satisfactorily
1350 completed the educational curriculum administered by an
1351 education provider as approved by the division pursuant to the
1352 requirements established in chapter 718 within 1 year before or
1353 90 days after the date of election or appointment. The
1354 educational certificate is valid and does not have to be
1355 resubmitted as long as the director serves on the board without
1356 interruption. A director who fails to timely file the written
1357 certification or educational certificate is suspended from
1358 service on the board until he or she complies with this sub-
1359 subparagraph. The board may temporarily fill the vacancy during
1360 the period of suspension. The secretary of the association shall
1361 cause the association to retain a director's written
1362 certification or educational certificate for inspection by the
1363 members for 5 years after a director's election or the duration

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1364 of the director's uninterrupted tenure, whichever is longer.
1365 Failure to have such written certification or educational
1366 certificate on file does not affect the validity of any board
1367 action.

1368 2. Any approval by unit owners called for by this chapter,
1369 or the applicable cooperative documents, must be made at a duly
1370 noticed meeting of unit owners and is subject to this chapter or
1371 the applicable cooperative documents relating to unit owner
1372 decisionmaking, except that unit owners may take action by
1373 written agreement, without meetings, on matters for which action
1374 by written agreement without meetings is expressly allowed by
1375 the applicable cooperative documents or law which provides for
1376 the unit owner action.

1377 3. Unit owners may waive notice of specific meetings if
1378 allowed by the applicable cooperative documents or law. Notice
1379 of meetings of the board of administration, shareholder
1380 meetings, except shareholder meetings called to recall board
1381 members under paragraph (f), and committee meetings may be given
1382 by electronic transmission to unit owners who consent to receive
1383 notice by electronic transmission. A unit owner who consents to
1384 receiving notices by electronic transmission is solely
1385 responsible for removing or bypassing filters that may block
1386 receipt of mass e-mails sent to members on behalf of the
1387 association in the course of giving electronic notices.

1388 4. Unit owners have the right to participate in meetings of
1389 unit owners with reference to all designated agenda items.
1390 However, the association may adopt reasonable rules governing
1391 the frequency, duration, and manner of unit owner participation.

1392 5. Any unit owner may tape record or videotape meetings of

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1393 the unit owners subject to reasonable rules adopted by the
1394 division.

1395 6. Unless otherwise provided in the bylaws, a vacancy
1396 occurring on the board before the expiration of a term may be
1397 filled by the affirmative vote of the majority of the remaining
1398 directors, even if the remaining directors constitute less than
1399 a quorum, or by the sole remaining director. In the alternative,
1400 a board may hold an election to fill the vacancy, in which case
1401 the election procedures must conform to the requirements of
1402 subparagraph 1. unless the association has opted out of the
1403 statutory election process, in which case the bylaws of the
1404 association control. Unless otherwise provided in the bylaws, a
1405 board member appointed or elected under this subparagraph shall
1406 fill the vacancy for the unexpired term of the seat being
1407 filled. Filling vacancies created by recall is governed by
1408 paragraph (f) and rules adopted by the division.

1409
1410 Notwithstanding subparagraphs (b)2. and (d)1., an association
1411 may, by the affirmative vote of a majority of the total voting
1412 interests, provide for a different voting and election procedure
1413 in its bylaws, which vote may be by a proxy specifically
1414 delineating the different voting and election procedures. The
1415 different voting and election procedures may provide for
1416 elections to be conducted by limited or general proxy.

1417 (m) Director or officer delinquencies.—A director or
1418 officer more than 90 days delinquent in the payment of any
1419 monetary obligation due the association is deemed to have
1420 abandoned the office, and such vacancy in the office must be
1421 filled according to law.

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1422 Section 10. Paragraph (b) of subsection (1) of section
1423 719.107, Florida Statutes, is amended to read:

1424 719.107 Common expenses; assessment.—

1425 (1)

1426 (b) If so provided in the bylaws, the cost of
1427 communications services as defined in chapter 202, information
1428 services, or Internet services ~~a master antenna television~~
1429 ~~system or duly franchised cable television service~~ obtained
1430 pursuant to a bulk contract shall be deemed a common expense,
1431 and if not obtained pursuant to a bulk contract, such cost shall
1432 be considered common expense if it is designated as such in a
1433 written contract between the board of administration and the
1434 company providing the communications services as defined in
1435 chapter 202, information services, or Internet services ~~master~~
1436 ~~television antenna system or the cable television service~~. The
1437 contract shall be for a term of not less than 2 years.

1438 1. Any contract made by the board after April 2, 1992, for
1439 a community antenna system or duly franchised cable television
1440 service, communications services as defined in chapter 202,
1441 information services, or Internet services may be canceled by a
1442 majority of the voting interests present at the next regular or
1443 special meeting of the association. Any member may make a motion
1444 to cancel the contract, but if no motion is made or if such
1445 motion fails to obtain the required majority at the next regular
1446 or special meeting, whichever is sooner, following the making of
1447 the contract, then such contract shall be deemed ratified for
1448 the term therein expressed.

1449 2. Any such contract shall provide, and shall be deemed to
1450 provide if not expressly set forth, that any hearing impaired or

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1451 legally blind unit owner who does not occupy the unit with a
1452 nonhearing impaired or sighted person may discontinue the
1453 service without incurring disconnect fees, penalties, or
1454 subsequent service charges, and as to such units, the owners may
1455 ~~shall~~ not be required to pay any common expenses charge related
1456 to such service. If less than all members of an association
1457 share the expenses of cable television, the expense shall be
1458 shared equally by all participating unit owners. The association
1459 may use the provisions of s. 719.108 to enforce payment of the
1460 shares of such costs by the unit owners receiving cable
1461 television.

1462 Section 11. Paragraph (b) of subsection (3) of section
1463 719.303, Florida Statutes, is amended to read:

1464 719.303 Obligations of owners.—

1465 (3) The association may levy reasonable fines for failure
1466 of the unit owner or the unit's occupant, licensee, or invitee
1467 to comply with any provision of the cooperative documents or
1468 reasonable rules of the association. A fine may not become a
1469 lien against a unit. A fine may be levied by the board on the
1470 basis of each day of a continuing violation, with a single
1471 notice and opportunity for hearing before a committee as
1472 provided in paragraph (b). However, the fine may not exceed \$100
1473 per violation, or \$1,000 in the aggregate.

1474 (b) A fine or suspension levied by the board of
1475 administration may not be imposed unless the board first
1476 provides at least 14 days' written notice ~~and an opportunity for~~
1477 ~~a hearing~~ to the unit owner and, if applicable, to any its
1478 occupant, licensee, or invitee of the unit owner sought to be
1479 fined or suspended and provides an opportunity for a hearing.

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1480 ~~The hearing must be held~~ before a committee of at least three
1481 members appointed by the board who are not officers, directors,
1482 or employees of the association, or the spouse, parent, child,
1483 brother, or sister of an officer, director, or employee ~~other~~
1484 ~~unit owners who are neither board members nor persons residing~~
1485 ~~in a board member's household.~~ The role of the committee is
1486 limited to determining whether to confirm or reject the fine or
1487 suspension levied by the board. If the committee does not
1488 approve ~~agree with~~ the proposed fine or suspension by majority
1489 vote, the fine or suspension ~~it~~ may not be imposed. If the
1490 proposed fine or suspension is approved by the committee, the
1491 fine payment is due 5 days after the date of the committee
1492 meeting at which the fine is approved. The association must
1493 provide written notice of such fine or suspension by mail or
1494 hand delivery to the unit owner and, if applicable, to any
1495 tenant, licensee, or invitee of the unit owner.

1496 Section 12. Paragraphs (a) and (c) of subsection (2) and
1497 paragraphs (b) through (h) of subsection (6) of section 720.303,
1498 Florida Statutes, are amended, and paragraphs (i) and (j) are
1499 added to subsection (6) of that section, to read:

1500 720.303 Association powers and duties; meetings of board;
1501 official records; budgets; financial reporting; association
1502 funds; recalls.—

1503 (2) BOARD MEETINGS.—

1504 (a) Members of the board of administration may use e-mail
1505 as a means of communication, but may not cast a vote on an
1506 association matter via e-mail. A meeting of the board of
1507 directors of an association occurs whenever a quorum of the
1508 board gathers to conduct association business. Meetings of the

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1509 board must be open to all members, except for meetings between
1510 the board and its attorney with respect to proposed or pending
1511 litigation where the contents of the discussion would otherwise
1512 be governed by the attorney-client privilege. A meeting of the
1513 board must be held at a location that is accessible to a
1514 physically handicapped person if requested by a physically
1515 handicapped person who has a right to attend the meeting. The
1516 provisions of this subsection shall also apply to the meetings
1517 of any committee or other similar body when a final decision
1518 will be made regarding the expenditure of association funds and
1519 to meetings of any body vested with the power to approve or
1520 disapprove architectural decisions with respect to a specific
1521 parcel of residential property owned by a member of the
1522 community.

1523 (c) The bylaws shall provide the following for giving
1524 notice to parcel owners and members of all board meetings and,
1525 if they do not do so, shall be deemed to include ~~provide~~ the
1526 following:

1527 1. Notices of all board meetings must be posted in a
1528 conspicuous place in the community at least 48 hours in advance
1529 of a meeting, except in an emergency. In the alternative, if
1530 notice is not posted in a conspicuous place in the community,
1531 notice of each board meeting must be mailed or delivered to each
1532 member at least 7 days before the meeting, except in an
1533 emergency. Notwithstanding this general notice requirement, for
1534 communities with more than 100 members, the association bylaws
1535 may provide for a reasonable alternative to posting or mailing
1536 of notice for each board meeting, including publication of
1537 notice, provision of a schedule of board meetings, or the

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1538 conspicuous posting and repeated broadcasting of the notice on a
1539 closed-circuit cable television system serving the homeowners'
1540 association. However, if broadcast notice is used in lieu of a
1541 notice posted physically in the community, the notice must be
1542 broadcast at least four times every broadcast hour of each day
1543 that a posted notice is otherwise required. When broadcast
1544 notice is provided, the notice and agenda must be broadcast in a
1545 manner and for a sufficient continuous length of time so as to
1546 allow an average reader to observe the notice and read and
1547 comprehend the entire content of the notice and the agenda. The
1548 association may provide notice by electronic transmission in a
1549 manner authorized by law for meetings of the board of directors,
1550 committee meetings requiring notice under this section, and
1551 annual and special meetings of the members to any member who has
1552 provided a facsimile number or e-mail address to the association
1553 to be used for such purposes; however, a member must consent in
1554 writing to receiving notice by electronic transmission.

1555 2. An assessment may not be levied at a board meeting
1556 unless the notice of the meeting includes a statement that
1557 assessments will be considered and the nature of the
1558 assessments. Written notice of any meeting at which special
1559 assessments will be considered or at which amendments to rules
1560 regarding parcel use will be considered must be mailed,
1561 delivered, or electronically transmitted to the members and
1562 parcel owners and posted conspicuously on the property or
1563 broadcast on closed-circuit cable television not less than 14
1564 days before the meeting.

1565 3. Directors may not vote by proxy or by secret ballot at
1566 board meetings, except that secret ballots may be used in the

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1567 election of officers. This subsection also applies to the
1568 meetings of any committee or other similar body, when a final
1569 decision will be made regarding the expenditure of association
1570 funds, and to any body vested with the power to approve or
1571 disapprove architectural decisions with respect to a specific
1572 parcel of residential property owned by a member of the
1573 community.

1574 (6) BUDGETS; BUDGET MEETINGS.—

1575 (b) In addition to annual operating expenses, for all
1576 associations incorporated on or after July 1, 2018, and any
1577 association incorporated before that date that, by a majority
1578 vote of the members of the association who are present at a
1579 meeting, in person or by proxy, at which a quorum is present,
1580 affirmatively votes to be bound by the provisions of this
1581 subsection, the budget must ~~may~~ include reserve accounts for the
1582 ~~capital expenditures and~~ deferred maintenance of any item with a
1583 deferred maintenance expense exceeding \$100,000 which is the
1584 obligation of ~~for which~~ the association ~~under~~ ~~is~~ responsible. If
1585 ~~reserve accounts are not established pursuant to paragraph (d),~~
1586 ~~funding of such reserves is limited to the extent that the~~
1587 ~~governing documents. However, subsequent to the transfer of~~
1588 ~~control of the association to its members, other than pursuant~~
1589 ~~to s. 720.307, and the developer no longer having authority to~~
1590 ~~appoint members to the board of directors, the board of~~
1591 ~~directors may elect to reserve money for any item that has a~~
1592 ~~deferred maintenance expense exceeding \$25,000. The board may~~
1593 ~~elect to reserve money for any item that has a deferred~~
1594 ~~maintenance expense of less than \$25,000 if approved by a~~
1595 ~~majority of the members present at a meeting, in person or by~~

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1596 proxy, at which a quorum is present. The amount to be reserved
1597 must be calculated using a formula based upon the estimated
1598 deferred maintenance expense of each reserve item divided by the
1599 estimated remaining useful life of that item. However, and
1600 notwithstanding the amount disclosed as being the total required
1601 reserve amount, each parcel that is obligated to pay annual
1602 reserves to the association each year must be assessed for only
1603 the amount determined by dividing the total annual reserve
1604 amount disclosed in the budget by the total number of parcels
1605 that will ultimately be operated by the association. The
1606 assessments actually collected must be less than the full amount
1607 of required reserves as disclosed in the proposed annual budget
1608 until all parcels that will ultimately be operated by the
1609 association are obligated to pay assessments for reserves. The
1610 association may adjust the deferred maintenance reserve
1611 assessments annually to take into account any changes in
1612 estimates or the useful life of a reserve item, of the
1613 anticipated cost of the deferred maintenance, or any changes in
1614 the number of parcels that will ultimately be operated by the
1615 association. This paragraph does not apply to an adopted budget
1616 when the members of the association have determined, by a
1617 majority vote of the members present at a meeting, in person or
1618 by proxy, at which a quorum is present, not to provide reserves
1619 or reserves in an amount less than required by this subsection
1620 ~~limit increases in assessments, including reserves. If the~~
1621 ~~budget of the association includes reserve accounts established~~
1622 ~~pursuant to paragraph (d), such reserves shall be determined,~~
1623 ~~maintained, and waived in the manner provided in this~~
1624 ~~subsection. Once an association provides for reserve accounts~~

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1625 ~~pursuant to paragraph (d), the association shall thereafter~~
1626 ~~determine, maintain, and waive reserves in compliance with this~~
1627 ~~subsection. This paragraph section does not preclude an~~
1628 ~~association from ceasing to add money to a reserve account~~
1629 ~~established pursuant to this paragraph upon a majority vote of~~
1630 ~~the members present at a meeting, in person or by proxy, at~~
1631 ~~which a quorum is present. Upon such approval, reserves may not~~
1632 ~~be included in the budget for that year. Only parcels with~~
1633 ~~completed improvements as evidenced by certificates of occupancy~~
1634 ~~for such improvements are obligated to pay assessments for~~
1635 ~~reserves. A developer who subsidizes the association's budget~~
1636 ~~under s. 720.308(1) or establishes a guarantee under s.~~
1637 ~~720.308(2), is not obligated to include reserve contributions in~~
1638 ~~any such guarantee or subsidy payment the termination of a~~
1639 ~~reserve account established pursuant to this paragraph upon~~
1640 ~~approval of a majority of the total voting interests of the~~
1641 ~~association. Upon such approval, the terminating reserve account~~
1642 ~~shall be removed from the budget.~~

1643 (c)1. The developer may vote the voting interests allocated
1644 to its parcels with completed improvements, as evidenced by
1645 certificates of occupancy for such improvements, to waive the
1646 reserves or reduce the funding of reserves. If a meeting of the
1647 parcel owners has been called to waive or reduce the funding of
1648 reserves and a waiver or reduction is not achieved or a quorum
1649 is not present, the reserves required by paragraph (b) must be
1650 maintained ~~If the budget of the association does not provide for~~
1651 ~~reserve accounts pursuant to paragraph (d) and the association~~
1652 ~~is responsible for the repair and maintenance of capital~~
1653 ~~improvements that may result in a special assessment if reserves~~

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1654 ~~are not provided, each financial report for the preceding fiscal~~
1655 ~~year required by subsection (7) must contain the following~~
1656 ~~statement in conspicuous type:~~

1657 ~~THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR RESERVE~~
1658 ~~ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT~~
1659 ~~MAY RESULT IN SPECIAL ASSESSMENTS. OWNERS MAY ELECT TO PROVIDE~~
1660 ~~FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA~~
1661 ~~STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF THE TOTAL~~
1662 ~~VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE MEMBERS AT A~~
1663 ~~MEETING OR BY WRITTEN CONSENT.~~

1664 ~~2. If the budget of the association does provide for~~
1665 ~~funding accounts for deferred expenditures, including, but not~~
1666 ~~limited to, funds for capital expenditures and deferred~~
1667 ~~maintenance, but such accounts are not created or established~~
1668 ~~pursuant to paragraph (d), each financial report for the~~
1669 ~~preceding fiscal year required under subsection (7) must also~~
1670 ~~contain the following statement in conspicuous type:~~

1671 ~~THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY~~
1672 ~~DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES~~
1673 ~~AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED~~
1674 ~~IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED~~
1675 ~~TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6),~~
1676 ~~FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE~~
1677 ~~RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR~~
1678 ~~ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.~~

1679 ~~(d) Reserve funds and any interest accruing thereon must~~
1680 ~~remain in the reserve account or accounts and may be used only~~
1681 ~~for deferred maintenance An association is deemed to have~~
1682 ~~provided for reserve accounts if reserve accounts have been~~

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1683 ~~initially established by the developer or if the membership of~~
1684 ~~the association affirmatively elects to provide for reserves. If~~
1685 ~~reserve accounts are established by the developer, the budget~~
1686 ~~must designate the components for which the reserve accounts may~~
1687 ~~be used. If reserve accounts are not initially provided by the~~
1688 ~~developer, the membership of the association may elect to do so~~
1689 ~~upon the affirmative approval of a majority of the total voting~~
1690 ~~interests of the association. Such approval may be obtained by~~
1691 ~~vote of the members at a duly called meeting of the membership~~
1692 ~~or by the written consent of a majority of the total voting~~
1693 ~~interests of the association. The approval action of the~~
1694 ~~membership must state that reserve accounts shall be provided~~
1695 ~~for in the budget and must designate the components for which~~
1696 ~~the reserve accounts are to be established. Upon approval by the~~
1697 ~~membership, the board of directors shall include the required~~
1698 ~~reserve accounts in the budget in the next fiscal year following~~
1699 ~~the approval and each year thereafter. Once established as~~
1700 ~~provided in this subsection, the reserve accounts must be funded~~
1701 ~~or maintained or have their funding waived in the manner~~
1702 ~~provided in paragraph (f).~~

1703 (e) The only voting interests that are eligible to vote on
1704 questions that involve waiving or reducing the funding of
1705 reserves are the voting interests of the parcels subject to
1706 assessment to fund the reserves in question. Any vote taken
1707 pursuant to this subsection to waive or reduce reserves is
1708 applicable only for 1 budget year. Proxy questions relating to
1709 waiving or reducing the funding of reserves must contain the
1710 following statement in capitalized, bold letters in a font size
1711 larger than any other used on the face of the proxy ballot:

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1712 WAIVING OF RESERVES, IN WHOLE OR IN PART, MAY RESULT IN PARCEL
1713 OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS
1714 REGARDING THOSE ITEMS ~~The amount to be reserved in any account~~
1715 ~~established shall be computed by means of a formula that is~~
1716 ~~based upon estimated remaining useful life and estimated~~
1717 ~~replacement cost or deferred maintenance expense of each reserve~~
1718 ~~item. The association may adjust replacement reserve assessments~~
1719 ~~annually to take into account any changes in estimates of cost~~
1720 ~~or useful life of a reserve item.~~

1721 (f) Except as provided in paragraph (g), funding formulas
1722 for reserves required by this section must be based on a pooled
1723 analysis method of two or more of the assets for which reserves
1724 are required to be accrued. The projected annual cash inflows
1725 may include estimated earnings from investment of principal. The
1726 reserve funding formula must result in constant funding each
1727 year. However, based on the method for calculating the
1728 assessment for reserves as described in paragraph (b), the
1729 assessments actually collected may be less than the full amount
1730 of required reserves disclosed in the proposed annual budget
1731 until all parcels that will ultimately be operated by the
1732 association are obligated to pay assessments for reserves ~~After~~
1733 ~~one or more reserve accounts are established, the membership of~~
1734 ~~the association, upon a majority vote at a meeting at which a~~
1735 ~~quorum is present, may provide for no reserves or less reserves~~
1736 ~~than required by this section. If a meeting of the unit owners~~
1737 ~~has been called to determine whether to waive or reduce the~~
1738 ~~funding of reserves and such result is not achieved or a quorum~~
1739 ~~is not present, the reserves as included in the budget go into~~
1740 ~~effect. After the turnover, the developer may vote its voting~~

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1741 ~~interest to waive or reduce the funding of reserves. Any vote~~
1742 ~~taken pursuant to this subsection to waive or reduce reserves is~~
1743 ~~applicable only to one budget year.~~

1744 (g) As an alternative to the pooled analysis method
1745 described in paragraph (f), if approved by a majority vote of
1746 the members present at a meeting, in person or by proxy, at
1747 which a quorum is present, the funding formulas for the
1748 disclosure of reserves required authorized by this section may
1749 ~~must~~ be based on a separate analysis of each of the required
1750 assets under the straight-line accounting method ~~or a pooled~~
1751 ~~analysis of two or more of the required assets.~~

1752 ~~1.~~ If the association maintains separate reserve accounts
1753 for each of the required assets, under the straight-line
1754 accounting method the amount of the contribution to each reserve
1755 account is the sum of the following two calculations:

1756 ~~1.a.~~ The total amount necessary, if any, to bring a
1757 negative component balance to zero.

1758 ~~2.b.~~ The total estimated deferred maintenance expense or
1759 estimated replacement cost of the reserve component less the
1760 estimated balance of the reserve component as of the beginning
1761 of the period the budget will be in effect. The remainder, if
1762 greater than zero, shall be divided by the estimated remaining
1763 useful life of the component.

1764
1765 The formula may be adjusted each year for changes in estimates
1766 and deferred maintenance performed during the year and may
1767 include factors such as inflation and earnings on invested
1768 funds. An association may convert its funding formulas from a
1769 straight-line accounting method to a pooled analysis method, as

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1770 described in paragraph (f), and back to a straight-line
1771 accounting method at any time if approved by a majority vote of
1772 the members present at a meeting, in person or by proxy, at
1773 which a quorum is present.

1774 ~~2. If the association maintains a pooled account of two or~~
1775 ~~more of the required reserve assets, the amount of the~~
1776 ~~contribution to the pooled reserve account as disclosed on the~~
1777 ~~proposed budget may not be less than that required to ensure~~
1778 ~~that the balance on hand at the beginning of the period the~~
1779 ~~budget will go into effect plus the projected annual cash~~
1780 ~~inflows over the remaining estimated useful life of all of the~~
1781 ~~assets that make up the reserve pool are equal to or greater~~
1782 ~~than the projected annual cash outflows over the remaining~~
1783 ~~estimated useful lives of all the assets that make up the~~
1784 ~~reserve pool, based on the current reserve analysis. The~~
1785 ~~projected annual cash inflows may include estimated earnings~~
1786 ~~from investment of principal and accounts receivable minus the~~
1787 ~~allowance for doubtful accounts. The reserve funding formula may~~
1788 ~~not include any type of balloon payments.~~

1789 (h)1. Meetings at which a proposed annual budget of an
1790 association will be considered by the board must be open to all
1791 parcel owners ~~Reserve funds and any interest accruing thereon~~
1792 ~~shall remain in the reserve account or accounts and shall be~~
1793 ~~used only for authorized reserve expenditures unless their use~~
1794 ~~for other purposes is approved in advance by a majority vote at~~
1795 ~~a meeting at which a quorum is present. Prior to turnover of~~
1796 ~~control of an association by a developer to parcel owners, the~~
1797 ~~developer-controlled association shall not vote to use reserves~~
1798 ~~for purposes other than those for which they were intended~~

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1799 ~~without the approval of a majority of all nondeveloper voting~~
1800 ~~interests voting in person or by limited proxy at a duly called~~
1801 ~~meeting of the association.~~

1802 2.a. If a board adopts an annual budget that requires
1803 assessments against parcel owners which exceed 115 percent of
1804 assessments for the preceding fiscal year and the board
1805 receives, within 21 days after adoption of the annual budget, a
1806 written request for a special meeting from at least 10 percent
1807 of all voting interests, the board must conduct a special
1808 meeting of the parcel owners to consider a substitute budget.
1809 The special meeting must be conducted within 60 days after
1810 adoption of the annual budget. At least 14 days before such
1811 special meeting, the board shall hand deliver to each parcel
1812 owner, or mail to each parcel owner at the address last
1813 furnished to the association, a notice of the meeting. An
1814 officer or manager of the association, or other person providing
1815 notice of such meeting, shall execute an affidavit evidencing
1816 compliance with this notice requirement and file the affidavit
1817 among the official records of the association. Parcel owners may
1818 consider and adopt a substitute budget at the special meeting. A
1819 substitute budget is adopted if approved by a majority of all
1820 voting interests unless the governing documents require adoption
1821 by a greater percentage of voting interests. If there is not a
1822 quorum at the special meeting or a substitute budget is not
1823 adopted, the annual budget previously adopted by the board takes
1824 effect as scheduled.

1825 b. Any determination on whether assessments exceed 115
1826 percent of assessments for the prior fiscal year shall exclude
1827 any provision for reasonable reserves for repair or deferred

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1828 maintenance of items that are the obligation of the association
1829 under the governing documents, anticipated expenses of the
1830 association which the board does not expect to be incurred on a
1831 regular or annual basis, or assessments for improvements to the
1832 common areas or association property, or other items that are
1833 the obligation of the association under the governing documents.

1834 (i) Paragraphs (b)-(g) do not apply to mandatory reserve
1835 accounts for the deferred maintenance of the infrastructure
1836 which are required to be established and maintained by an
1837 association at the direction of a county or municipal
1838 government, water or drainage management district, community
1839 development district, or other political subdivision that has
1840 the authority to approve and control subdivision infrastructure
1841 that is being entrusted to the care of an association.

1842 (j) Reserve funds must be held in a separate bank account
1843 established for such funds.

1844 Section 13. Paragraph (b) of subsection (2) of section
1845 720.305, Florida Statutes, is amended to read:

1846 720.305 Obligations of members; remedies at law or in
1847 equity; levy of fines and suspension of use rights.—

1848 (2) The association may levy reasonable fines. A fine may
1849 not exceed \$100 per violation against any member or any member's
1850 tenant, guest, or invitee for the failure of the owner of the
1851 parcel or its occupant, licensee, or invitee to comply with any
1852 provision of the declaration, the association bylaws, or
1853 reasonable rules of the association unless otherwise provided in
1854 the governing documents. A fine may be levied by the board for
1855 each day of a continuing violation, with a single notice and
1856 opportunity for hearing, except that the fine may not exceed

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1857 \$1,000 in the aggregate unless otherwise provided in the
1858 governing documents. A fine of less than \$1,000 may not become a
1859 lien against a parcel. In any action to recover a fine, the
1860 prevailing party is entitled to reasonable attorney fees and
1861 costs from the nonprevailing party as determined by the court.

1862 (b) A fine or suspension levied ~~may not be imposed~~ by the
1863 board of administration may not be imposed unless the board
1864 first provides ~~without~~ at least 14 days' notice to the parcel
1865 owner and, if applicable, to any occupant, licensee, or invitee
1866 of the parcel owner, person sought to be fined or suspended and
1867 provides an opportunity for a hearing before a committee of at
1868 least three members appointed by the board who are not officers,
1869 directors, or employees of the association, or the spouse,
1870 parent, child, brother, or sister of an officer, director, or
1871 employee. If the committee, by majority vote, does not approve a
1872 proposed fine or suspension, the proposed fine or suspension ~~it~~
1873 may not be imposed. The role of the committee is limited to
1874 determining whether to confirm or reject the fine or suspension
1875 levied by the board. If the proposed ~~board of administration~~
1876 ~~imposes~~ a fine or suspension levied by the board is approved by
1877 the committee, the fine payment is due 5 days after the date of
1878 the committee meeting at which the fine is approved. The
1879 association shall ~~must~~ provide written notice of such fine or
1880 suspension by mail or hand delivery to the parcel owner and, if
1881 applicable, to any tenant, licensee, or invitee of the parcel
1882 owner.

1883 Section 14. Paragraph (a) of subsection (9) of section
1884 720.306, Florida Statutes, is amended to read:

1885 720.306 Meetings of members; voting and election

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1886 procedures; amendments.—

1887 (9) ELECTIONS AND BOARD VACANCIES.—

1888 (a) Elections of directors must be conducted in accordance
1889 with the procedures set forth in the governing documents of the
1890 association. Except as provided in paragraph (b), all members of
1891 the association are eligible to serve on the board of directors,
1892 and a member may nominate himself or herself as a candidate for
1893 the board at a meeting where the election is to be held;
1894 provided, however, that if the election process allows
1895 candidates to be nominated in advance of the meeting, the
1896 association is not required to allow nominations at the meeting.
1897 An election is not required unless more candidates are nominated
1898 than vacancies exist. If an election is not required because
1899 there are either an equal number of candidates or fewer
1900 qualified candidates than vacancies, and if nominations from the
1901 floor are not required pursuant to this section or the bylaws,
1902 write-in nominations are not permitted, and such qualified
1903 candidates shall commence service on the board of directors,
1904 regardless of whether a quorum is attained at the annual
1905 meeting. Except as otherwise provided in the governing
1906 documents, boards of directors must be elected by a plurality of
1907 the votes cast by eligible voters. Any challenge to the election
1908 process must be commenced within 60 days after the election
1909 results are announced.

1910 Section 15. Paragraph (b) of subsection (3) of section
1911 720.3085, Florida Statutes, is amended to read:

1912 720.3085 Payment for assessments; lien claims.—

1913 (3) Assessments and installments on assessments that are
1914 not paid when due bear interest from the due date until paid at

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1915 the rate provided in the declaration of covenants or the bylaws
 1916 of the association, which rate may not exceed the rate allowed
 1917 by law. If no rate is provided in the declaration or bylaws,
 1918 interest accrues at the rate of 18 percent per year.

1919 (b) Any payment received by an association and accepted
 1920 must ~~shall~~ be applied first to any interest accrued, then to any
 1921 administrative late fee, then to any costs and reasonable
 1922 attorney fees incurred in collection, and then to the delinquent
 1923 assessment. This paragraph applies notwithstanding any
 1924 restrictive endorsement, designation, or instruction placed on
 1925 or accompanying a payment. A late fee is not subject to ~~the~~
 1926 ~~provisions of~~ chapter 687 and is not a fine. This paragraph is
 1927 applicable notwithstanding s. 673.3111, any purported accord and
 1928 satisfaction, or any restrictive endorsement, designation, or
 1929 instruction placed on or accompanying a payment. The preceding
 1930 sentence is intended to clarify existing law.

1931 Section 16. Paragraph (a) of subsection (1) of section
 1932 720.401, Florida Statutes, is amended to read:

1933 720.401 Prospective purchasers subject to association
 1934 membership requirement; disclosure required; covenants;
 1935 assessments; contract cancellation.-

1936 (1) (a) A prospective parcel owner in a community must be
 1937 presented a disclosure summary before executing the contract for
 1938 sale. The disclosure summary must be in a form substantially
 1939 similar to the following form:

1940 DISCLOSURE SUMMARY
 1941 FOR
 1942 (NAME OF COMMUNITY)

1943 1. AS A PURCHASER OF PROPERTY IN THIS COMMUNITY, YOU WILL

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BE OBLIGATED TO BE A MEMBER OF A HOMEOWNERS' ASSOCIATION.

2. THERE HAVE BEEN OR WILL BE RECORDED RESTRICTIVE COVENANTS GOVERNING THE USE AND OCCUPANCY OF PROPERTIES IN THIS COMMUNITY.

3. YOU WILL BE OBLIGATED TO PAY ASSESSMENTS TO THE ASSOCIATION. ASSESSMENTS MAY BE SUBJECT TO PERIODIC CHANGE. IF APPLICABLE, THE CURRENT AMOUNT IS \$.... PER YOU WILL ALSO BE OBLIGATED TO PAY ANY SPECIAL ASSESSMENTS IMPOSED BY THE ASSOCIATION. SUCH SPECIAL ASSESSMENTS MAY BE SUBJECT TO CHANGE. IF APPLICABLE, THE CURRENT AMOUNT IS \$.... PER

4. YOU MAY BE OBLIGATED TO PAY SPECIAL ASSESSMENTS TO THE RESPECTIVE MUNICIPALITY, COUNTY, OR SPECIAL DISTRICT. ALL ASSESSMENTS ARE SUBJECT TO PERIODIC CHANGE.

5. YOUR FAILURE TO PAY SPECIAL ASSESSMENTS OR ASSESSMENTS LEVIED BY A MANDATORY HOMEOWNERS' ASSOCIATION COULD RESULT IN A LIEN ON YOUR PROPERTY.

6. THE BUDGET OF THE ASSOCIATION DOES NOT NECESSARILY INCLUDE RESERVE FUNDS FOR DEFERRED MAINTENANCE SUFFICIENT TO COVER THE FULL COST OF DEFERRED MAINTENANCE OF COMMON AREAS. YOU SHOULD REVIEW THE BUDGET TO DETERMINE THE LEVEL OF RESERVE FUNDING, IF ANY.

~~7.6.~~ THERE MAY BE AN OBLIGATION TO PAY RENT OR LAND USE FEES FOR RECREATIONAL OR OTHER COMMONLY USED FACILITIES AS AN OBLIGATION OF MEMBERSHIP IN THE HOMEOWNERS' ASSOCIATION. IF APPLICABLE, THE CURRENT AMOUNT IS \$.... PER

~~8.7.~~ THE DEVELOPER MAY HAVE THE RIGHT TO AMEND THE RESTRICTIVE COVENANTS WITHOUT THE APPROVAL OF THE ASSOCIATION MEMBERSHIP OR THE APPROVAL OF THE PARCEL OWNERS.

~~9.8.~~ THE STATEMENTS CONTAINED IN THIS DISCLOSURE FORM ARE

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1973 ONLY SUMMARY IN NATURE, AND, AS A PROSPECTIVE PURCHASER, YOU
 1974 SHOULD REFER TO THE COVENANTS AND THE ASSOCIATION GOVERNING
 1975 DOCUMENTS BEFORE PURCHASING PROPERTY.

1976 10.9. THESE DOCUMENTS ARE EITHER MATTERS OF PUBLIC RECORD
 1977 AND CAN BE OBTAINED FROM THE RECORD OFFICE IN THE COUNTY WHERE
 1978 THE PROPERTY IS LOCATED, OR ARE NOT RECORDED AND CAN BE OBTAINED
 1979 FROM THE DEVELOPER.

1980 DATE: PURCHASER:

1981 PURCHASER:

1982 The disclosure must be supplied by the developer, or by the
 1983 parcel owner if the sale is by an owner that is not the
 1984 developer. Any contract or agreement for sale shall refer to and
 1985 incorporate the disclosure summary and shall include, in
 1986 prominent language, a statement that the potential buyer should
 1987 not execute the contract or agreement until they have received
 1988 and read the disclosure summary required by this section.

1989 Section 17. This act shall take effect July 1, 2018.