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COMMITTEE/SUBCOMMITTEE	ACTION
ADOPTED	(Y/N)
ADOPTED AS AMENDED	(Y/N)
ADOPTED W/O OBJECTION	(Y/N)
FAILED TO ADOPT	(Y/N)
WITHDRAWN	(Y/N)
OTHER	

Committee/Subcommittee hearing bill: Commerce Committee Representative Shoaf offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert: Section 1. Paragraph (a) of subsection (2) of section 514.0115, Florida Statutes, is amended to read:

514.0115 Exemptions from supervision or regulation; 9 variances.-

10 (2) (a) Pools serving condominium, cooperative, and homeowners' associations, as well as other property 11 12 associations, which have no more than 32 condominium or 13 cooperative units or parcels and which are not operated as a public lodging establishments are establishment shall be exempt 14 15 from supervision under this chapter, except for water quality.

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Section 2. Subsection (4) of section 627.714, Florida 16 17 Statutes, is amended to read: 18 627.714 Residential condominium unit owner coverage; loss 19 assessment coverage required.-20 (4) Every individual unit owner's residential property 21 policy must contain a provision stating that the coverage 22 afforded by such policy is excess coverage over the amount 23 recoverable under any other policy covering the same property. 24 If a condominium association's insurance policy does not provide 25 rights for subrogation against the unit owners in the 26 association, an insurance policy issued to an individual unit 27 owner located in the association may not provide rights of subrogation against the condominium association. 28 29 Section 3. Section 712.065, Florida Statutes, is created 30 to read: 712.065 Extinguishment of discriminatory restrictions.-31 32 (1) As used in this section, the term "discriminatory restriction" means a provision in a title transaction recorded 33 34 in this state which restricts the ownership, occupancy, or use 35 of any real property in this state by any natural person on the 36 basis of a characteristic that has been held, or is held after July 1, 2020, by the United States Supreme Court or the Florida 37 Supreme Court to be protected against discrimination under the 38 39 Fourteenth Amendment to the United States Constitution or under

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40	s. 2, Art. I of the State Constitution, including race, color,
41	national origin, religion, gender, or physical disability.
42	(2) A discriminatory restriction is not enforceable in
43	this state, and all discriminatory restrictions contained in any
44	title transaction recorded in this state are unlawful, are
45	unenforceable, and are declared null and void. Any
46	discriminatory restriction contained in a previously recorded
47	title transaction is extinguished and severed from the recorded
48	title transaction and the remainder of the title transaction
49	remains enforceable and effective except for the severed
50	discriminatory restriction. The recording of any notice
51	preserving or protecting interests or rights pursuant to s.
52	712.05 does not reimpose or preserve any discriminatory
53	restriction that is extinguished under this section.
54	(3) Upon request of a parcel owner, a discriminatory
55	restriction appearing in a covenant or restriction affecting the
56	parcel may be removed from the covenant or restriction by an
57	amendment approved by a majority vote of the board of directors
58	of the respective property owners' association or an owners'
59	association in which all owners may voluntarily join,
60	notwithstanding any other requirements for approval of an
61	amendment of the covenant or restriction. Unless the amendment
62	also changes other provisions of the covenant or restriction,
63	the recording of an amendment removing a discriminatory

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64 restriction does not constitute a title transaction occurring 65 after the root of title for purposes of s. 712.03(4). 66 Section 4. Paragraphs (a), (b), (c), (f) and (g) of subsection (12) of section 718.111, Florida Statutes, are 67 68 amended to read: 718.111 The association.-69 (12) OFFICIAL RECORDS.-70 71 (a) From the inception of the association, the association shall maintain each of the following items, if applicable, which 72 constitutes the official records of the association: 73 74 1. A copy of the plans, permits, warranties, and other 75 items provided by the developer under pursuant to s. 718.301(4). 76 A photocopy of the recorded declaration of condominium 2. 77 of each condominium operated by the association and each amendment to each declaration. 78 79 3. A photocopy of the recorded bylaws of the association 80 and each amendment to the bylaws. A certified copy of the articles of incorporation of 81 4. 82 the association, or other documents creating the association, 83 and each amendment thereto. 84 5. A copy of the current rules of the association. 6. A book or books that contain the minutes of all 85 meetings of the association, the board of administration, and 86 the unit owners. 87 079453 - h623-strike.docx

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88 A current roster of all unit owners and their mailing 7. 89 addresses, unit identifications, voting certifications, and, if 90 known, telephone numbers. The association shall also maintain the e-mail addresses and facsimile numbers of unit owners 91 92 consenting to receive notice by electronic transmission. The email addresses and facsimile numbers are not accessible to unit 93 owners if consent to receive notice by electronic transmission 94 95 is not provided in accordance with sub-subparagraph (c)3.e. However, the association is not liable for an inadvertent 96 97 disclosure of the e-mail address or facsimile number for receiving electronic transmission of notices. 98

8. All current insurance policies of the association andcondominiums operated by the association.

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

105 10. Bills of sale or transfer for all property owned by 106 the association.

107 11. Accounting records for the association and separate 108 accounting records for each condominium that the association 109 operates. Any person who knowingly or intentionally defaces or 110 destroys such records, or who knowingly or intentionally fails 111 to create or maintain such records, with the intent of causing 112 harm to the association or one or more of its members, is

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113 personally subject to a civil penalty <u>under s. 718.501(2)(d)</u>
114 pursuant to s. 718.501(1)(d). The accounting records must
115 include, but are not limited to:

a. Accurate, itemized, and detailed records of allreceipts and expenditures.

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

122 c. All audits, reviews, accounting statements, and123 financial reports of the association or condominium.

d. All contracts for work to be performed. Bids for work to be performed are also considered official records and must be maintained by the association <u>for at least 1 year after receipt</u> of the bid.

128 12. Ballots, sign-in sheets, voting proxies, and all other 129 papers and electronic records relating to voting by unit owners, 130 which must be maintained for 1 year from the date of the 131 election, vote, or meeting to which the document relates, 132 notwithstanding paragraph (b).

133 13. All rental records if the association is acting as134 agent for the rental of condominium units.

135 14. A copy of the current question and answer sheet as136 described in s. 718.504.

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137	15. All other written records of the association not
138	specifically included in the foregoing which are related to the
139	operation of the association.
140	15.16. A copy of the inspection report as described in s.
141	718.301(4)(p).
142	<u>16.17.</u> Bids for materials, equipment, or services.
143	17. All other written records of the association not
144	specifically included in subparagraphs 116. which are related
145	to the operation of the association.
146	(b) The official records specified in subparagraphs (a)1
147	6. must be permanently maintained from the inception of the
148	association. Bids for work to be performed or for materials,
149	equipment, or services must be maintained for at least 1 year
150	after receipt of the bid. All other official records must be
151	maintained within the state for at least 7 years, unless
152	otherwise provided by general law. <u>All official records must be</u>
153	maintained in a manner and format determined by the division so
154	that the records are easily accessible for inspection. The
155	records of the association shall be made available to a unit
156	owner within 45 miles of the condominium property or within the
157	county in which the condominium property is located within 10
158	working days after receipt of a written request by the board or
159	its designee. However, such distance requirement does not apply
160	to an association governing a timeshare condominium. This
161	paragraph may be complied with by having a copy of the official
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162 records of the association available for inspection or copying 163 on the condominium property or association property, or the 164 association may offer the option of making the records available 165 to a unit owner electronically via the Internet or by allowing 166 the records to be viewed in electronic format on a computer 167 screen and printed upon request. The association is not responsible for the use or misuse of the information provided to 168 169 an association member or his or her authorized representative in 170 pursuant to the compliance with requirements of this chapter unless the association has an affirmative duty not to disclose 171 172 such information under pursuant to this chapter.

173 (c)1. The official records of the association are open to 174 inspection by any association member or the authorized representative of such member at all reasonable times. The right 175 176 to inspect the records includes the right to make or obtain 177 copies, at the reasonable expense, if any, of the member or 178 authorized representative of such member. A renter of a unit only has a right to inspect and copy the declaration of 179 180 condominium and association's bylaws and rules. The association 181 must provide a checklist to the member or the authorized representative of such member of all records that are made 182 183 available for inspection and copying in response to a written request. If any of the association's official records are not 184 185 available, such records must be identified on the checklist provided to the person requesting the records. The checklist 186

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187 must be signed by a manager, licensed pursuant to chapter 468 who certifies that the checklist is accurate to the best of his 188 189 or her knowledge and belief, or the association must provide the person requesting the records with a sworn affidavit attesting 190 191 to the veracity of the checklist and executed by the person 192 responding to the written request on behalf of the association. The association must maintain a copy of the checklist and 193 affidavit for at least 7 years. Delivery of the checklist and, 194 195 if required, the sworn affidavit to the person requesting the 196 records creates a rebuttable presumption that the association 197 complied with this paragraph. The association may adopt 198 reasonable rules regarding the frequency, time, location, notice, and manner of record inspections and copying, but may 199 200 not require a member to demonstrate any purpose or state any 201 reason for the inspection. The failure of an association to 202 provide the records within 10 working days after receipt of a 203 written request creates a rebuttable presumption that the 204 association willfully failed to comply with this paragraph. A 205 unit owner who is denied access to official records is entitled 206 to the actual damages or minimum damages for the association's 207 willful failure to comply. Minimum damages are \$50 per calendar 208 day for up to 10 days, beginning on the 11th working day after receipt of the written request. The failure to permit inspection 209 entitles any person prevailing in an enforcement action to 210 recover reasonable attorney fees from the person in control of 211 079453 - h623-strike.docx

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212 the records who, directly or indirectly, knowingly denied access 213 to the records.

214 2. Any person who knowingly or intentionally defaces or 215 destroys accounting records that are required by this chapter to 216 be maintained during the period for which such records are 217 required to be maintained, or who knowingly or intentionally 218 fails to create or maintain accounting records that are required 219 to be created or maintained, with the intent of causing harm to the association or one or more of its members, is personally 220 221 subject to a civil penalty under 718.501(2)(d) pursuant 222 718.501(1)(d).

223 3. The association shall maintain an adequate number of 224 copies of the declaration, articles of incorporation, bylaws, 225 and rules, and all amendments to each of the foregoing, as well 226 as the question and answer sheet as described in s. 718.504 and 227 year-end financial information required under this section, on 228 the condominium property to ensure their availability to unit 229 owners and prospective purchasers, and may charge its actual 230 costs for preparing and furnishing these documents to those 231 requesting the documents. An association shall allow a member or 232 his or her authorized representative to use a portable device, 233 including a smartphone, tablet, portable scanner, or any other technology capable of scanning or taking photographs, to make an 234 electronic copy of the official records in lieu of the 235 236 association's providing the member or his or her authorized 079453 - h623-strike.docx

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representative with a copy of such records. The association may not charge a member or his or her authorized representative for the use of a portable device. Notwithstanding this paragraph, the following records are not accessible to unit owners:

241 Any record protected by the lawyer-client privilege as a. 242 described in s. 90.502 and any record protected by the workproduct privilege, including a record prepared by an association 243 244 attorney or prepared at the attorney's express direction, which reflects a mental impression, conclusion, litigation strategy, 245 246 or legal theory of the attorney or the association, and which 247 was prepared exclusively for civil or criminal litigation or for 248 adversarial administrative proceedings, or which was prepared in anticipation of such litigation or proceedings until the 249 250 conclusion of the litigation or proceedings.

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

c. Personnel records of association or management company employees, including, but not limited to, disciplinary, payroll, health, and insurance records. For purposes of this subsubparagraph, the term "personnel records" does not include written employment agreements with an association employee or management company, or budgetary or financial records that indicate the compensation paid to an association employee.

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d. Medical records of unit owners.

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262 Social security numbers, driver license numbers, credit e. card numbers, e-mail addresses, telephone numbers, facsimile 263 264 numbers, emergency contact information, addresses of a unit 265 owner other than as provided to fulfill the association's notice 266 requirements, and other personal identifying information of any 267 person, excluding the person's name, unit designation, mailing 268 address, property address, and any address, e-mail address, or facsimile number provided to the association to fulfill the 269 270 association's notice requirements. Notwithstanding the 271 restrictions in this sub-subparagraph, an association may print and distribute to unit parcel owners a directory containing the 272 273 name, unit parcel address, and all telephone numbers of each 274 unit parcel owner. However, an owner may exclude his or her 275 telephone numbers from the directory by so requesting in writing 276 to the association. An owner may consent in writing to the 277 disclosure of other contact information described in this subsubparagraph. The association is not liable for the inadvertent 278 disclosure of information that is protected under this sub-279 280 subparagraph if the information is included in an official 281 record of the association and is voluntarily provided by an 282 owner and not requested by the association.

f. Electronic security measures that are used by theassociation to safeguard data, including passwords.

g. The software and operating system used by the association which allow the manipulation of data, even if the

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287 owner owns a copy of the same software used by the association.288 The data is part of the official records of the association.

289 An outgoing board or committee member must relinquish (f) 290 all official records and property of the association in his or 291 her possession or under his or her control to the incoming board within 5 days after the election. The division shall impose a 292 civil penalty as set forth in s. 718.501(2)(d)6. s. 293 294 718.501(1)(d)6. against an outgoing board or committee member who willfully and knowingly fails to relinquish such records and 295 296 property.

(g)1. By January 1, 2019, an association managing a condominium with 150 or more units which does not contain timeshare units shall post digital copies of the documents specified in subparagraph 2. on its website <u>or make such</u> documents available through an application that can be downloaded on a mobile device.

303 a. The association's website <u>or application</u> must be:
304 (I) An independent website, <u>application</u>, or web portal
305 wholly owned and operated by the association; or

(II) A website, application, or web portal operated by a third-party provider with whom the association owns, leases, rents, or otherwise obtains the right to operate a web page, subpage, web portal, or collection of subpages or web portals, or application which is dedicated to the association's

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311 activities and on which required notices, records, and documents
312 may be posted or made available by the association.

b. The association's website <u>or application</u> must be accessible through the Internet and must contain a subpage, web portal, or other protected electronic location that is inaccessible to the general public and accessible only to unit owners and employees of the association.

318 c. Upon a unit owner's written request, the association 319 must provide the unit owner with a username and password and 320 access to the protected sections of the association's website <u>or</u> 321 <u>application</u> that contain any notices, records, or documents that 322 must be electronically provided.

323 2. A current copy of the following documents must be 324 posted in digital format on the association's website <u>or</u> 325 application:

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

329 b. The recorded bylaws of the association and each330 amendment to the bylaws.

331 c. The articles of incorporation of the association, or 332 other documents creating the association, and each amendment <u>to</u> 333 <u>the articles of incorporation or other documents</u> thereto. The 334 copy posted pursuant to this sub-subparagraph must be a copy of

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335 the articles of incorporation filed with the Department of 336 State.

337 d.

The rules of the association.

338 A list of all executory contracts or documents to which e. 339 the association is a party or under which the association or the 340 unit owners have an obligation or responsibility and, after bidding for the related materials, equipment, or services has 341 closed, a list of bids received by the association within the 342 past year. Summaries of bids for materials, equipment, or 343 344 services which exceed \$500 must be maintained on the website or 345 application for 1 year. In lieu of summaries, complete copies of 346 the bids may be posted.

The annual budget required by s. 718.112(2)(f) and any 347 f. 348 proposed budget to be considered at the annual meeting.

349 The financial report required by subsection (13) and a. 350 any monthly income or expense statement to be considered at a 351 meeting.

352 h. The certification of each director required by s. 353 718.112(2)(d)4.b.

354 i. All contracts or transactions between the association 355 and any director, officer, corporation, firm, or association 356 that is not an affiliated condominium association or any other entity in which an association director is also a director or 357 358 officer and financially interested.

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j. Any contract or document regarding a conflict of interest or possible conflict of interest as provided in ss. 468.436(2)(b)6. and 718.3027(3).

k. 362 The notice of any unit owner meeting and the agenda for 363 the meeting, as required by s. 718.112(2)(d)3., no later than 14 364 days before the meeting. The notice must be posted in plain view on the front page of the website or application, or on a 365 separate subpage of the website or application labeled "Notices" 366 which is conspicuously visible and linked from the front page. 367 The association must also post on its website or application any 368 369 document to be considered and voted on by the owners during the 370 meeting or any document listed on the agenda at least 7 days 371 before the meeting at which the document or the information within the document will be considered. 372

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

377 3. The association shall ensure that the information and 378 records described in paragraph (c), which are not allowed to be 379 accessible to unit owners, are not posted on the association's 380 website <u>or application</u>. If protected information or information 381 restricted from being accessible to unit owners is included in 382 documents that are required to be posted on the association's 383 website or application, the association shall ensure the

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384 information is redacted before posting the documents online. 385 Notwithstanding the foregoing, the association or its agent is 386 not liable for disclosing information that is protected or 387 restricted under pursuant to this paragraph unless such 388 disclosure was made with a knowing or intentional disregard of 389 the protected or restricted nature of such information.

390 4. The failure of the association to post information 391 required under subparagraph 2. is not in and of itself sufficient to invalidate any action or decision of the 392 393 association's board or its committees.

394 Section 5. Paragraphs (d), (i), (j), (k), and (p) of 395 subsection (2) of section 718.112, Florida Statutes, are 396 amended, and paragraph (c) is added to subsection (1) of that 397 section, to read:

718.112 Bylaws.-398

399

GENERALLY.-(1)

400 The association may extinguish a discriminatory (C) 401 restriction, as defined in s. 712.065(1) pursuant to s. 712.065.

402 REQUIRED PROVISIONS.-The bylaws shall provide for the (2) 403 following and, if they do not do so, shall be deemed to include 404 the following:

405

(d) Unit owner meetings.-

An annual meeting of the unit owners must be held at 406 1. the location provided in the association bylaws and, if the 407 408 bylaws are silent as to the location, the meeting must be held 079453 - h623-strike.docx

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409 within 45 miles of the condominium property. However, such 410 distance requirement does not apply to an association governing 411 a timeshare condominium.

412 2. Unless the bylaws provide otherwise, a vacancy on the 413 board caused by the expiration of a director's term must be 414 filled by electing a new board member, and the election must be 415 by secret ballot. An election is not required if the number of 416 vacancies equals or exceeds the number of candidates. For purposes of this paragraph, the term "candidate" means an 417 eligible person who has timely submitted the written notice, as 418 419 described in sub-subparagraph 4.a., of his or her intention to 420 become a candidate. Except in a timeshare or nonresidential 421 condominium, or if the staggered term of a board member does not 422 expire until a later annual meeting, or if all members' terms 423 would otherwise expire but there are no candidates, the terms of 424 all board members expire at the annual meeting, and such members 425 may stand for reelection unless prohibited by the bylaws. Board members may serve terms longer than 1 year if permitted by the 426 427 bylaws or articles of incorporation. A board member may not 428 serve more than 8 consecutive years unless approved by an 429 affirmative vote of unit owners representing two-thirds of all 430 votes cast in the election or unless there are not enough eligible candidates to fill the vacancies on the board at the 431 time of the vacancy. Only board service that occurs on or after 432 July 1, 2018, may be used when calculating a board member's term 433

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434 limit. If the number of board members whose terms expire at the annual meeting equals or exceeds the number of candidates, the 435 436 candidates become members of the board effective upon the adjournment of the annual meeting. Unless the bylaws provide 437 438 otherwise, any remaining vacancies shall be filled by the 439 affirmative vote of the majority of the directors making up the newly constituted board even if the directors constitute less 440 than a quorum or there is only one director. In a residential 441 condominium association of more than 10 units or in a 442 443 residential condominium association that does not include 444 timeshare units or timeshare interests, co-owners of a unit may 445 not serve as members of the board of directors at the same time unless they own more than one unit or unless there are not 446 447 enough eligible candidates to fill the vacancies on the board at 448 the time of the vacancy. A unit owner in a residential 449 condominium desiring to be a candidate for board membership must 450 comply with sub-subparagraph 4.a. and must be eligible to be a 451 candidate to serve on the board of directors at the time of the 452 deadline for submitting a notice of intent to run in order to 453 have his or her name listed as a proper candidate on the ballot 454 or to serve on the board. A person who has been suspended or 455 removed by the division under this chapter, or who is delinquent in the payment of any monetary obligation due to the 456 457 association, is not eligible to be a candidate for board 458 membership and may not be listed on the ballot. A person who has 079453 - h623-strike.docx

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459 been convicted of any felony in this state or in a United States 460 District or Territorial Court, or who has been convicted of any 461 offense in another jurisdiction which would be considered a 462 felony if committed in this state, is not eligible for board 463 membership unless such felon's civil rights have been restored 464 for at least 5 years as of the date such person seeks election to the board. The validity of an action by the board is not 465 affected if it is later determined that a board member is 466 ineligible for board membership due to having been convicted of 467 a felony. This subparagraph does not limit the term of a member 468 469 of the board of a nonresidential or timeshare condominium.

470 3. The bylaws must provide the method of calling meetings 471 of unit owners, including annual meetings. Written notice of an 472 annual meeting must include an agenda;, must be mailed, hand 473 delivered, or electronically transmitted to each unit owner at 474 least 14 days before the annual meeting; τ and must be posted in 475 a conspicuous place on the condominium property at least 14 continuous days before the annual meeting. Written notice of a 476 477 meeting other than an annual meeting must include an agenda; be 478 mailed, hand delivered, or electronically transmitted to each 479 unit owner; and be posted in a conspicuous place on the 480 condominium property in accordance with the minimum period of time for posting a notice as set forth in the bylaws, and if the 481 bylaws do not provide such notice requirements, then at least 14 482 continuous days before the meeting. Upon notice to the unit 483 079453 - h623-strike.docx

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484 owners, the board shall, by duly adopted rule, designate a 485 specific location on the condominium property where all notices 486 of unit owner meetings must be posted. This requirement does not 487 apply if there is no condominium property for posting notices. 488 In lieu of, or in addition to, the physical posting of meeting 489 notices, the association may, by reasonable rule, adopt a 490 procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit cable television 491 492 system serving the condominium association. However, if broadcast notice is used in lieu of a notice posted physically 493 494 on the condominium property, the notice and agenda must be 495 broadcast at least four times every broadcast hour of each day 496 that a posted notice is otherwise required under this section. 497 If broadcast notice is provided, the notice and agenda must be 498 broadcast in a manner and for a sufficient continuous length of 499 time so as to allow an average reader to observe the notice and 500 read and comprehend the entire content of the notice and the 501 agenda. In addition to any of the authorized means of providing 502 notice of a meeting of the board, the association may, by rule, 503 adopt a procedure for conspicuously posting the meeting notice 504 and the agenda on a website serving the condominium association 505 for at least the minimum period of time for which a notice of a meeting is also required to be physically posted on the 506 condominium property. Any rule adopted shall, in addition to 507 508 other matters, include a requirement that the association send 079453 - h623-strike.docx

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509 an electronic notice in the same manner as a notice for a meeting of the members, which must include a hyperlink to the 510 511 website where the notice is posted, to unit owners whose e-mail addresses are included in the association's official records. 512 513 Unless a unit owner waives in writing the right to receive 514 notice of the annual meeting, such notice must be hand 515 delivered, mailed, or electronically transmitted to each unit 516 owner. Notice for meetings and notice for all other purposes must be mailed to each unit owner at the address last furnished 517 to the association by the unit owner, or hand delivered to each 518 519 unit owner. However, if a unit is owned by more than one person, 520 the association must provide notice to the address that the 521 developer identifies for that purpose and thereafter as one or more of the owners of the unit advise the association in 522 523 writing, or if no address is given or the owners of the unit do 524 not agree, to the address provided on the deed of record. An 525 officer of the association, or the manager or other person 526 providing notice of the association meeting, must provide an 527 affidavit or United States Postal Service certificate of 528 mailing, to be included in the official records of the 529 association affirming that the notice was mailed or hand 530 delivered in accordance with this provision.

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

538 a. At least 60 days before a scheduled election, the association shall mail, deliver, or electronically transmit, by 539 540 separate association mailing or included in another association 541 mailing, delivery, or transmission, including regularly published newsletters, to each unit owner entitled to a vote, a 542 543 first notice of the date of the election. A unit owner or other 544 eligible person desiring to be a candidate for the board must 545 give written notice of his or her intent to be a candidate to the association at least 40 days before a scheduled election. 546 547 Together with the written notice and agenda as set forth in 548 subparagraph 3., the association shall mail, deliver, or 549 electronically transmit a second notice of the election to all 550 unit owners entitled to vote, together with a ballot that lists 551 all candidates not less than 14 days or more than 34 days before 552 the date of the election. Upon request of a candidate, an 553 information sheet, no larger than 8 1/2 inches by 11 inches, 554 which must be furnished by the candidate at least 35 days before 555 the election, must be included with the mailing, delivery, or transmission of the ballot, with the costs of mailing, delivery, 556 557 or electronic transmission and copying to be borne by the association. The association is not liable for the contents of 558 079453 - h623-strike.docx

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559 the information sheets prepared by the candidates. In order to 560 reduce costs, the association may print or duplicate the 561 information sheets on both sides of the paper. The division 562 shall by rule establish voting procedures consistent with this 563 sub-subparagraph, including rules establishing procedures for 564 giving notice by electronic transmission and rules providing for 565 the secrecy of ballots. Elections shall be decided by a 566 plurality of ballots cast. There is no quorum requirement; however, at least 20 percent of the eligible voters must cast a 567 ballot in order to have a valid election. A unit owner may not 568 569 authorize any other person to vote his or her ballot, and any 570 ballots improperly cast are invalid. A unit owner who violates 571 this provision may be fined by the association in accordance 572 with s. 718.303. A unit owner who needs assistance in casting 573 the ballot for the reasons stated in s. 101.051 may obtain such 574 assistance. The regular election must occur on the date of the 575 annual meeting. Notwithstanding this sub-subparagraph, an election is not required unless more candidates file notices of 576 577 intent to run or are nominated than board vacancies exist.

578 b. Within 90 days after being elected or appointed to the 579 board of an association of a residential condominium, each newly 580 elected or appointed director shall certify in writing to the 581 secretary of the association that he or she has read the 582 association's declaration of condominium, articles of 583 incorporation, bylaws, and current written policies; that he or

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584 she will work to uphold such documents and policies to the best 585 of his or her ability; and that he or she will faithfully 586 discharge his or her fiduciary responsibility to the association's members. In lieu of this written certification, 587 588 within 90 days after being elected or appointed to the board, 589 the newly elected or appointed director may submit a certificate 590 of having satisfactorily completed the educational curriculum 591 administered by a division-approved condominium education provider within 1 year before or 90 days after the date of 592 593 election or appointment. The written certification or 594 educational certificate is valid and does not have to be 595 resubmitted as long as the director serves on the board without 596 interruption. A director of an association of a residential 597 condominium who fails to timely file the written certification 598 or educational certificate is suspended from service on the 599 board until he or she complies with this sub-subparagraph. The 600 board may temporarily fill the vacancy during the period of 601 suspension. The secretary shall cause the association to retain 602 a director's written certification or educational certificate 603 for inspection by the members for 5 years after a director's 604 election or the duration of the director's uninterrupted tenure, 605 whichever is longer. Failure to have such written certification or educational certificate on file does not affect the validity 606 607 of any board action.

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608 c. Any challenge to the election process must be commenced609 within 60 days after the election results are announced.

610 Any approval by unit owners called for by this chapter 5. 611 or the applicable declaration or bylaws, including, but not 612 limited to, the approval requirement in s. 718.111(8), must be 613 made at a duly noticed meeting of unit owners and is subject to 614 all requirements of this chapter or the applicable condominium 615 documents relating to unit owner decisionmaking, except that unit owners may take action by written agreement, without 616 meetings, on matters for which action by written agreement 617 without meetings is expressly allowed by the applicable bylaws 618 619 or declaration or any law that provides for such action.

6. Unit owners may waive notice of specific meetings if 620 621 allowed by the applicable bylaws or declaration or any law. 622 Notice of meetings of the board of administration, unit owner 623 meetings, except unit owner meetings called to recall board 624 members under paragraph (j), and committee meetings may be given by electronic transmission to unit owners who consent to receive 625 626 notice by electronic transmission. A unit owner who consents to 627 receiving notices by electronic transmission is solely 628 responsible for removing or bypassing filters that block receipt 629 of mass e-mails emails sent to members on behalf of the association in the course of giving electronic notices. 630

631 7. Unit owners have the right to participate in meetings632 of unit owners with reference to all designated agenda items.

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However, the association may adopt reasonable rules governingthe frequency, duration, and manner of unit owner participation.

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

638 9. Unless otherwise provided in the bylaws, any vacancy 639 occurring on the board before the expiration of a term may be 640 filled by the affirmative vote of the majority of the remaining directors, even if the remaining directors constitute less than 641 a quorum, or by the sole remaining director. In the alternative, 642 643 a board may hold an election to fill the vacancy, in which case 644 the election procedures must conform to sub-subparagraph 4.a. unless the association governs 10 units or fewer and has opted 645 646 out of the statutory election process, in which case the bylaws 647 of the association control. Unless otherwise provided in the 648 bylaws, a board member appointed or elected under this section 649 shall fill the vacancy for the unexpired term of the seat being filled. Filling vacancies created by recall is governed by 650 651 paragraph (j) and rules adopted by the division.

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

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659 Notwithstanding subparagraph (b)2. and sub-subparagraph 4.a., an 660 association of 10 or fewer units may, by affirmative vote of a 661 majority of the total voting interests, provide for different 662 voting and election procedures in its bylaws, which may be by a 663 proxy specifically delineating the different voting and election 664 procedures. The different voting and election procedures may 665 provide for elections to be conducted by limited or general 666 proxy.

Transfer fees.-No charge shall be made by the 667 (i) 668 association or any body thereof in connection with the sale, 669 mortgage, lease, sublease, or other transfer of a unit unless 670 the association is required to approve such transfer and a fee 671 for such approval is provided for in the declaration, articles, 672 or bylaws. Any such fee may be preset, but in no event may such 673 fee exceed \$150 \$100 per applicant other than husband/wife or 674 parent/dependent child, which are considered one applicant. However, if the lease or sublease is a renewal of a lease or 675 676 sublease with the same lessee or sublessee, no charge shall be 677 made. The fees specified in this subsection shall be adjusted 678 every 5 years in an amount equal to the total of the annual 679 increases for that 5-year period in the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items. The 680 Department of Business and Professional Regulation shall 681 periodically calculate the fees, rounded to the nearest dollar, 682 079453 - h623-strike.docx

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683 and publish the amounts, as adjusted, on its website. The 684 foregoing notwithstanding, an association may, if the authority 685 to do so appears in the declaration, articles, or bylaws, 686 require that a prospective lessee place a security deposit, in 687 an amount not to exceed the equivalent of 1 month's rent, into 688 an escrow account maintained by the association. The security 689 deposit shall protect against damages to the common elements or 690 association property. Payment of interest, claims against the deposit, refunds, and disputes under this paragraph shall be 691 692 handled in the same fashion as provided in part II of chapter 693 83.

694 (j) Recall of board members.-Subject to s. 718.301, any 695 member of the board of administration may be recalled and removed from office with or without cause by the vote or 696 697 agreement in writing by a majority of all the voting interests. 698 A special meeting of the unit owners to recall a member or 699 members of the board of administration may be called by 10 700 percent of the voting interests giving notice of the meeting as 701 required for a meeting of unit owners, and the notice shall 702 state the purpose of the meeting. Electronic transmission may 703 not be used as a method of giving notice of a meeting called in 704 whole or in part for this purpose.

705 1. If the recall is approved by a majority of all voting 706 interests by a vote at a meeting, the recall will be effective 707 as provided in this paragraph. The board shall duly notice and 079453 - h623-strike.docx

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708 hold a board meeting within 5 full business days after the 709 adjournment of the unit owner meeting to recall one or more 710 board members. Such member or members shall be recalled effective immediately upon conclusion of the board meeting, 711 712 provided that the recall is facially valid. A recalled member 713 must turn over to the board, within 10 full business days after 714 the vote, any and all records and property of the association in 715 their possession.

716 2. If the proposed recall is by an agreement in writing by 717 a majority of all voting interests, the agreement in writing or 718 a copy thereof shall be served on the association by certified 719 mail or by personal service in the manner authorized by chapter 720 48 and the Florida Rules of Civil Procedure. The board of administration shall duly notice and hold a meeting of the board 721 722 within 5 full business days after receipt of the agreement in 723 writing. Such member or members shall be recalled effective 724 immediately upon the conclusion of the board meeting, provided that the recall is facially valid. A recalled member must turn 725 over to the board, within 10 full business days, any and all 726 727 records and property of the association in their possession.

3. If the board fails to duly notice and hold a board meeting within 5 full business days after service of an agreement in writing or within 5 full business days after the adjournment of the unit owner recall meeting, the recall shall be deemed effective and the board members so recalled shall turn

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over to the board within 10 full business days after the voteany and all records and property of the association.

735 4. If the board fails to duly notice and hold the required 736 meeting or at the conclusion of the meeting determines that the 737 recall is not facially valid, the unit owner representative may 738 file a petition or action pursuant to s. 718.1255 challenging 739 the board's failure to act or challenging the board's 740 determination on facial validity. The petition or action must be filed within 60 days after the expiration of the applicable 5-741 742 full-business-day period. The review of a petition or action 743 under this subparagraph is limited to the sufficiency of service 744 on the board and the facial validity of the written agreement or 745 ballots filed.

746 5. If a vacancy occurs on the board as a result of a 747 recall or removal and less than a majority of the board members are removed, the vacancy may be filled by the affirmative vote 748 749 of a majority of the remaining directors, notwithstanding any provision to the contrary contained in this subsection. If 750 751 vacancies occur on the board as a result of a recall and a 752 majority or more of the board members are removed, the vacancies 753 shall be filled in accordance with procedural rules to be 754 adopted by the division, which rules need not be consistent with 755 this subsection. The rules must provide procedures governing the 756 conduct of the recall election as well as the operation of the

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757 association during the period after a recall but before the 758 recall election.

759 6. A board member who has been recalled may file a 760 petition or action pursuant to s. 718.1255 challenging the 761 validity of the recall. The petition or action must be filed 762 within 60 days after the recall. The association and the unit 763 owner representative shall be named as the respondents. The 764 petition or action may challenge the facial validity of the written agreement or ballots filed or the substantial compliance 765 766 with the procedural requirements for the recall. If the 767 arbitrator or court determines the recall was invalid, the 768 petitioning board member shall immediately be reinstated and the 769 recall is null and void. A board member who is successful in 770 challenging a recall is entitled to recover reasonable attorney 771 fees and costs from the respondents. The arbitrator or court may 772 award reasonable attorney fees and costs to the respondents if 773 they prevail, if the arbitrator or court makes a finding that 774 the petitioner's claim is frivolous.

775 7. The division <u>or a court of competent jurisdiction</u> may 776 not accept for filing a recall petition <u>or action</u>, whether filed 777 pursuant to subparagraph 1., subparagraph 2., subparagraph 4., 778 or subparagraph 6. when there are 60 or fewer days until the 779 scheduled reelection of the board member sought to be recalled 780 or when 60 or fewer days have elapsed since the election of the 781 board member sought to be recalled.

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(k) <u>Alternative Dispute Resolution</u> Arbitration. – There
 must shall be a provision for mandatory <u>alternative dispute</u>
 resolution nonbinding arbitration as provided for in s. 718.1255
 for any residential condominium.

786 (p) Service providers; conflicts of interest.-An association, which is not a timeshare condominium association, 787 may not employ or contract with any service provider that is 788 owned or operated by a board member or with any person who has a 789 financial relationship with a board member or officer, or a 790 791 relative within the third degree of consanguinity by blood or 792 marriage of a board member or officer. This paragraph does not 793 apply to a service provider in which a board member or officer, 794 or a relative within the third degree of consanguinity by blood 795 or marriage of a board member or officer, owns less than 1 796 percent of the equity shares.

797 Section 6. Subsection (8) of section 718.113, Florida798 Statutes, is amended to read:

799 718.113 Maintenance; limitation upon improvement; display 800 of flag; hurricane shutters and protection; display of religious 801 decorations.-

(8) The Legislature finds that the use of electric and natural gas fuel vehicles conserves and protects the state's environmental resources, provides significant economic savings to drivers, and serves an important public interest. The participation of condominium associations is essential to the 079453 - h623-strike.docx

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807 state's efforts to conserve and protect the state's 808 environmental resources and provide economic savings to drivers. 809 For purposes of this subsection, the term "natural gas fuel" has the same meaning as in s. 206.9951, and the term "natural gas 810 811 fuel vehicle" means any motor vehicle, as defined in s. 320.01, 812 that is powered by natural gas fuel. Therefore, the installation 813 of an electric vehicle charging station or natural gas fuel 814 station shall be governed as follows:

A declaration of condominium or restrictive covenant 815 (a) may not prohibit or be enforced so as to prohibit any unit owner 816 817 from installing an electric vehicle charging station or natural 818 gas fuel station within the boundaries of the unit owner's 819 limited common element or exclusively designated parking area. The board of administration of a condominium association may not 820 821 prohibit a unit owner from installing an electric vehicle 822 charging station for an electric vehicle, as defined in s. 823 320.01, or a natural gas fuel station for a natural gas fuel 824 vehicle within the boundaries of his or her limited common 825 element or exclusively designated parking area. The installation 826 of such charging or fuel stations are subject to the provisions 827 of this subsection.

(b) The installation may not cause irreparable damage tothe condominium property.

830 (c) The electricity for the electric vehicle charging 831 station <u>or natural gas fuel station</u> must be separately metered 079453 - h623-strike.docx

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832 or metered by an embedded meter and payable by the unit owner installing such charging or fuel station or by his or her 833 834 successor. 835 The cost for supply and storage of the natural gas (d) 836 fuel must be paid by the unit owner installing the natural gas 837 fuel station or by his or her successor. 838 (e) (d) The unit owner who is installing an electric 839 vehicle charging station or natural gas fuel station is responsible for the costs of installation, operation, 840 841 maintenance, and repair, including, but not limited to, hazard 842 and liability insurance. The association may enforce payment of 843 such costs under pursuant to s. 718.116. 844 (f) (e) If the unit owner or his or her successor decides 845 there is no longer a need for the electronic vehicle charging 846 station or natural gas fuel station, such person is responsible 847 for the cost of removal of such the electronic vehicle charging 848 or fuel station. The association may enforce payment of such 849 costs under pursuant to s. 718.116. 850 The unit owner installing, maintaining, or removing (q) 851 the electric vehicle charging station or natural gas fuel 852 station is responsible for complying with all federal, state, or 853 local laws and regulations applicable to such installation, 854 maintenance, or removal. 855 (h) (f) The association may require the unit owner to: 079453 - h623-strike.docx

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856 1. Comply with bona fide safety requirements, consistent
857 with applicable building codes or recognized safety standards,
858 for the protection of persons and property.

2. Comply with reasonable architectural standards adopted by the association that govern the dimensions, placement, or external appearance of the electric vehicle charging station <u>or</u> <u>natural gas fuel station</u>, provided that such standards may not prohibit the installation of such charging <u>or fuel</u> station or substantially increase the cost thereof.

865 3. Engage the services of a licensed and registered <u>firm</u>
866 electrical contractor or engineer familiar with the installation
867 <u>or removal</u> and core requirements of an electric vehicle charging
868 station <u>or natural gas fuel station</u>.

869 4. Provide a certificate of insurance naming the 870 association as an additional insured on the owner's insurance 871 policy for any claim related to the installation, maintenance, 872 or use of the electric vehicle charging station <u>or natural gas</u> 873 <u>fuel station</u> within 14 days after receiving the association's 874 approval to install such charging <u>or fuel</u> station <u>or notice to</u> 875 provide such a certificate.

5. Reimburse the association for the actual cost of any increased insurance premium amount attributable to the electric vehicle charging station <u>or natural gas fuel station</u> within 14 days after receiving the association's insurance premium invoice.

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881 (i) (g) The association provides an implied easement across 882 the common elements of the condominium property to the unit 883 owner for purposes of the installation of the electric vehicle 884 charging station or natural gas fuel station installation, and 885 the furnishing of electrical power or natural gas fuel supply, 886 including any necessary equipment, to such charging or fuel 887 station, subject to the requirements of this subsection. 888 Section 7. Subsection (16) of section 718.117, Florida 889 Statutes, is amended to read: 890 718.117 Termination of condominium.-891 (16) RIGHT TO CONTEST.-A unit owner or lienor may contest 892 a plan of termination by initiating a petition in accordance 893 with for mandatory nonbinding arbitration pursuant to s. 894 718.1255 within 90 days after the date the plan is recorded. A 895 unit owner or lienor may only contest the fairness and 896 reasonableness of the apportionment of the proceeds from the 897 sale among the unit owners, that the liens of the first mortgages of unit owners other than the bulk owner have not or 898 899 will not be satisfied to the extent required by subsection (3), 900 or that the required vote to approve the plan was not obtained. 901 A unit owner or lienor who does not contest the plan within the 902 90-day period is barred from asserting or prosecuting a claim against the association, the termination trustee, any unit 903 owner, or any successor in interest to the condominium property. 904 905 In an action contesting a plan of termination, the person 079453 - h623-strike.docx

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906 contesting the plan has the burden of pleading and proving that 907 the apportionment of the proceeds from the sale among the unit 908 owners was not fair and reasonable or that the required vote was 909 not obtained. The apportionment of sale proceeds is presumed 910 fair and reasonable if it was determined pursuant to the methods 911 prescribed in subsection (12). If the petition is filed with the 912 division for arbitration, the arbitrator shall determine the 913 rights and interests of the parties in the apportionment of the 914 sale proceeds. If the arbitrator determines that the 915 apportionment of sales proceeds is not fair and reasonable, the 916 arbitrator may void the plan or may modify the plan to apportion 917 the proceeds in a fair and reasonable manner pursuant to this section based upon the proceedings and order the modified plan 918 919 of termination to be implemented. If the arbitrator determines 920 that the plan was not properly approved, or that the procedures 921 to adopt the plan were not properly followed, the arbitrator may 922 void the plan or grant other relief it deems just and proper. The arbitrator shall automatically void the plan upon a finding 923 924 that any of the disclosures required in subparagraph (3)(c)5. 925 are omitted, misleading, incomplete, or inaccurate. Any 926 challenge to a plan, other than a challenge that the required 927 vote was not obtained, does not affect title to the condominium property or the vesting of the condominium property in the 928 trustee, but shall only be a claim against the proceeds of the 929

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930 plan. In any such action, the prevailing party shall recover 931 reasonable attorney fees and costs.

932 Section 8. Subsection (2) of section 718.121, Florida933 Statutes, is amended to read:

934

718.121 Liens.-

935 Labor performed on or materials furnished to a unit (2) 936 shall not be the basis for the filing of a lien pursuant to part 937 I of chapter 713, the Construction Lien Law, against the unit or condominium parcel of any unit owner not expressly consenting to 938 939 or requesting the labor or materials. Labor performed on or 940 materials furnished for the installation of a natural gas fuel 941 station or an electronic vehicle charging station pursuant to s. 942 718.113(8) may not be the basis for filing a lien under part I 943 of chapter 713 against the association, but such a lien may be 944 filed against the unit owner. Labor performed on or materials 945 furnished to the common elements are not the basis for a lien on 946 the common elements, but if authorized by the association, the labor or materials are deemed to be performed or furnished with 947 948 the express consent of each unit owner and may be the basis for 949 the filing of a lien against all condominium parcels in the 950 proportions for which the owners are liable for common expenses. 951 Section 9. Subsections (5) and (6) of section 718.1255, 952 Florida Statutes, are renumbered as subsections (6) and (7),

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respectively, paragraph (a) of subsection (4) of that section is

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954 amended, and a new subsection (5) is added to that section, to 955 read:

956 718.1255 Alternative dispute resolution; voluntary 957 mediation; mandatory nonbinding arbitration; legislative 958 findings.-

959 (4) MANDATORY NONBINDING ARBITRATION AND MEDIATION OF 960 DISPUTES.-The Division of Florida Condominiums, Timeshares, and 961 Mobile Homes of the Department of Business and Professional Regulation may employ full-time attorneys to act as arbitrators 962 to conduct the arbitration hearings provided by this chapter. 963 964 The division may also certify attorneys who are not employed by 965 the division to act as arbitrators to conduct the arbitration 966 hearings provided by this chapter. A no person may not be 967 employed by the department as a full-time arbitrator unless he 968 or she is a member in good standing of The Florida Bar. A person 969 may only be certified by the division to act as an arbitrator if 970 he or she has been a member in good standing of The Florida Bar 971 for at least 5 years and has mediated or arbitrated at least 10 972 disputes involving condominiums in this state during the 3 years 973 immediately preceding the date of application, mediated or 974 arbitrated at least 30 disputes in any subject area in this 975 state during the 3 years immediately preceding the date of 976 application, or attained board certification in real estate law 977 or condominium and planned development law from The Florida Bar. 978 Arbitrator certification is valid for 1 year. An arbitrator who

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979 does not maintain the minimum qualifications for initial 980 certification may not have his or her certification renewed. The 981 department may not enter into a legal services contract for an 982 arbitration hearing under this chapter with an attorney who is 983 not a certified arbitrator unless a certified arbitrator is not available within 50 miles of the dispute. The department shall 984 985 adopt rules of procedure to govern such arbitration hearings 986 including mediation incident thereto. The decision of an arbitrator is shall be final; however, a decision is shall not 987 be deemed final agency action. Nothing in this provision shall 988 989 be construed to foreclose parties from proceeding in a trial de 990 novo unless the parties have agreed that the arbitration is 991 binding. If judicial proceedings are initiated, the final 992 decision of the arbitrator is shall be admissible in evidence in 993 the trial de novo.

994 Before Prior to the institution of court litigation, a (a) 995 party to a dispute shall either petition the division for 996 nonbinding arbitration or initiate presuit mediation as provided 997 in subsection (5). Arbitration is binding on the parties if all 998 parties in arbitration agree to be bound in a writing filed in 999 arbitration. The petition must be accompanied by a filing fee in 1000 the amount of \$50. Filing fees collected under this section must be used to defray the expenses of the alternative dispute 1001 resolution program. 1002

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1003 (5) PRESUIT MEDIATION.-In lieu of the initiation of 1004 nonbinding arbitration as set forth in subsections (1)-(4), a 1005 party may submit a dispute to presuit mediation in accordance with s. 720.311. Election and recall disputes are not eligible 1006 1007 for mediation and such disputes must be arbitrated by the 1008 division or filed with a court of competent jurisdiction. 1009 Section 10. Subsection (3) of section 718.202, Florida 1010 Statutes, is amended to read: 1011 718.202 Sales or reservation deposits prior to closing.-If the contract for sale of the condominium unit so 1012 (3) 1013 provides, the developer may withdraw escrow funds in excess of 1014 10 percent of the purchase price from the special account required by subsection (2) when the construction of improvements 1015 1016 has begun. He or she may use the funds for the actual costs 1017 incurred by the developer in the actual construction and development of the condominium property in which the unit to be 1018 1019 sold is located. Actual costs include, but are not limited to, expenditures for demolition, site clearing, permit fees, impact 1020 1021 fees, and utility reservation fees, as well as architectural, 1022 engineering, and surveying fees that directly relate to 1023 construction and development. However, no part of these funds 1024 may be used for salaries, commissions, or expenses of salespersons; or for advertising, marketing, or promotional 1025 purposes; or for loan fees, costs or interest, attorney fees, 1026 accounting fees, or insurance. A contract which permits use of 1027 079453 - h623-strike.docx Published On: 2/26/2020 7:30:56 PM

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1028 the advance payments for these purposes shall include the 1029 following legend conspicuously printed or stamped in boldfaced 1030 type on the first page of the contract and immediately above the 1031 place for the signature of the buyer: ANY PAYMENT IN EXCESS OF 1032 10 PERCENT OF THE PURCHASE PRICE MADE TO DEVELOPER PRIOR TO 1033 CLOSING PURSUANT TO THIS CONTRACT MAY BE USED FOR CONSTRUCTION 1034 PURPOSES BY THE DEVELOPER.

1035Section 11. Subsection (1) and paragraph (b) of subsection1036(3) of section 718.303, Florida Statutes, are amended to read:

718.303 Obligations of owners and occupants; remedies.-

1038 Each unit owner, each tenant and other invitee, and (1)1039 each association is governed by, and must comply with the 1040 provisions of, this chapter, the declaration, the documents 1041 creating the association, and the association bylaws which are 1042 shall be deemed expressly incorporated into any lease of a unit. Actions at law or in equity for damages or for injunctive 1043 1044 relief, or both, for failure to comply with these provisions may 1045 be brought by the association or by a unit owner against:

1046

1037

(a) The association.

1047 (b) A unit owner.

1048 (c) Directors designated by the developer, for actions 1049 taken by them before control of the association is assumed by 1050 unit owners other than the developer.

1051 (d) Any director who willfully and knowingly fails to 1052 comply with these provisions.

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1053 Any tenant leasing a unit, and any other invitee (e) 1054 occupying a unit. 1055 1056 The prevailing party in any such action or in any action in 1057 which the purchaser claims a right of voidability based upon 1058 contractual provisions as required in s. 718.503(1)(a) is 1059 entitled to recover reasonable attorney attorney's fees. A unit 1060 owner prevailing in an action between the association and the 1061 unit owner under this subsection section, in addition to 1062 recovering his or her reasonable attorney attorney's fees, may recover additional amounts as determined by the court to be 1063 1064 necessary to reimburse the unit owner for his or her share of assessments levied by the association to fund its expenses of 1065 1066 the litigation. This relief does not exclude other remedies 1067 provided by law. Actions arising under this subsection are not considered may not be deemed to be actions for specific 1068 1069 performance.

1070 (3) The association may levy reasonable fines for the 1071 failure of the owner of the unit or its occupant, licensee, or 1072 invitee to comply with any provision of the declaration, the 1073 association bylaws, or reasonable rules of the association. A 1074 fine may not become a lien against a unit. A fine may be levied 1075 by the board on the basis of each day of a continuing violation, 1076 with a single notice and opportunity for hearing before a

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1077 committee as provided in paragraph (b). However, the fine may 1078 not exceed \$100 per violation, or \$1,000 in the aggregate.

1079 (b) A fine or suspension levied by the board of 1080 administration may not be imposed unless the board first 1081 provides at least 14 days' written notice to the unit owner and, 1082 if applicable, any tenant occupant, licensee, or invitee of the 1083 unit owner sought to be fined or suspended, and an opportunity 1084 for a hearing before a committee of at least three members 1085 appointed by the board who are not officers, directors, or 1086 employees of the association, or the spouse, parent, child, 1087 brother, or sister of an officer, director, or employee. The 1088 role of the committee is limited to determining whether to confirm or reject the fine or suspension levied by the board. If 1089 1090 the committee does not approve the proposed fine or suspension 1091 by majority vote, the fine or suspension may not be imposed. If 1092 the proposed fine or suspension is approved by the committee, 1093 the fine payment is due 5 days after notice of the approved fine 1094 is provided to the unit owner and, if applicable, to any tenant, 1095 licensee, or invitee of the unit owner the date of the committee 1096 meeting at which the fine is approved. The association must 1097 provide written notice of such fine or suspension by mail or 1098 hand delivery to the unit owner and, if applicable, to any tenant, licensee, or invitee of the unit owner. 1099

Section 12. Present subsections (1) and (2) of section 718.501, Florida Statutes, are redesignated as subsections (2) 079453 - h623-strike.docx

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and (3), respectively, a new subsection (1) is added to that section and paragraphs (h) and (j) of present subsection (1) of that section are amended, to read:

1105 718.501 Authority, responsibility, and duties of Division 1106 of Florida Condominiums, Timeshares, and Mobile Homes.-

1107 As used in this section, the term "financial issue" (1)1108 means an issue related to operating budgets; reserve schedules; accounting records under s. 718.111(12)(a)11.; notices of 1109 1110 meetings; minutes of meetings discussing budget or financial 1111 issues; assessments for common expenses, fees, or fines; the commingling of funds; and any other record necessary to 1112 1113 determine the revenues and expenses of the association. The 1114 division may adopt rules to further define what a financial 1115 issue is under this section and may adopt a rule outlining the 1116 requirements of the checklist under s. 718.111(c)1.

The division may enforce and ensure compliance with 1117 (2) 1118 the provisions of this chapter and rules relating to the 1119 development, construction, sale, lease, ownership, operation, 1120 and management of residential condominium units. In performing its duties, the division has complete jurisdiction to 1121 investigate complaints and enforce compliance with respect to 1122 1123 associations that are still under developer control or the control of a bulk assignee or bulk buyer pursuant to part VII of 1124 this chapter and complaints against developers, bulk assignees, 1125 1126 or bulk buyers involving improper turnover or failure to

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1127 turnover, pursuant to s. 718.301. However, after turnover has 1128 occurred, the division has jurisdiction to investigate 1129 complaints related only to financial issues, elections, and <u>the</u> 1130 <u>maintenance of and</u> unit owner access to association records 1131 under pursuant to s. 718.111(12).

(h) The division shall furnish each association that pays the fees required by paragraph <u>(3)(a)</u> (2)(a) a copy of this chapter, as amended, and the rules adopted thereto on an annual basis.

1136 (†) The division shall provide training and educational programs for condominium association board members and unit 1137 1138 owners. The training may, in the division's discretion, include web-based electronic media, and live training and seminars in 1139 1140 various locations throughout the state. The division may review and approve education and training programs for board members 1141 and unit owners offered by providers and shall maintain a 1142 1143 current list of approved programs and providers and make such 1144 list available to board members and unit owners in a reasonable 1145 and cost-effective manner. The division may adopt rules to 1146 establish requirements for the training and educational programs 1147 required in this paragraph.

1148 Section 13. Section 718.5014, Florida Statutes, is amended 1149 to read:

1150 718.5014 Ombudsman location.—The ombudsman shall maintain 1151 his or her principal office in <u>a</u> Leon County on the premises of 079453 - h623-strike.docx

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1152 the division or, if suitable space cannot be provided there, at 1153 another place convenient to the offices of the division which 1154 will enable the ombudsman to expeditiously carry out the duties 1155 and functions of his or her office. The ombudsman may establish 1156 branch offices elsewhere in the state upon the concurrence of 1157 the Governor.

Section 14. Subsection (25) of section 719.103, Florida Statutes, is amended to read:

1160

719.103 Definitions.-As used in this chapter:

(25) "Unit" means a part of the cooperative property which is subject to exclusive use and possession. A unit may be improvements, land, or land and improvements together, as specified in the cooperative documents. <u>An interest in a unit is</u> an interest in real property.

1166Section 15. Paragraph (c) of subsection (2) of section1167719.104, Florida Statutes, is amended to read:

1168 719.104 Cooperatives; access to units; records; financial 1169 reports; assessments; purchase of leases.-

1170

(2) OFFICIAL RECORDS.-

(c) The official records of the association are open to inspection by any association member or the authorized representative of such member at all reasonable times. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the association member. The association may adopt reasonable rules regarding the 079453 - h623-strike.docx

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1177 frequency, time, location, notice, and manner of record inspections and copying, but may not require a member to 1178 1179 demonstrate any purpose or state any reason for the inspection. 1180 The failure of an association to provide the records within 10 1181 working days after receipt of a written request creates a 1182 rebuttable presumption that the association willfully failed to 1183 comply with this paragraph. A member unit owner who is denied access to official records is entitled to the actual damages or 1184 1185 minimum damages for the association's willful failure to comply. The minimum damages are \$50 per calendar day for up to 10 days, 1186 1187 beginning on the 11th working day after receipt of the written 1188 request. The failure to permit inspection entitles any person prevailing in an enforcement action to recover reasonable 1189 1190 attorney fees from the person in control of the records who, 1191 directly or indirectly, knowingly denied access to the records. Any person who knowingly or intentionally defaces or destroys 1192 1193 accounting records that are required by this chapter to be maintained during the period for which such records are required 1194 to be maintained, or who knowingly or intentionally fails to 1195 1196 create or maintain accounting records that are required to be 1197 created or maintained, with the intent of causing harm to the 1198 association or one or more of its members, is personally subject to a civil penalty under pursuant to s. 719.501(1)(d). The 1199 1200 association shall maintain an adequate number of copies of the 1201 declaration, articles of incorporation, bylaws, and rules, and 079453 - h623-strike.docx

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1202 all amendments to each of the foregoing, as well as the question and answer sheet as described in s. 719.504 and year-end 1203 1204 financial information required by the department, on the 1205 cooperative property to ensure their availability to members 1206 unit owners and prospective purchasers, and may charge its 1207 actual costs for preparing and furnishing these documents to 1208 those requesting the same. An association shall allow a member 1209 or his or her authorized representative to use a portable 1210 device, including a smartphone, tablet, portable scanner, or any 1211 other technology capable of scanning or taking photographs, to make an electronic copy of the official records in lieu of the 1212 1213 association providing the member or his or her authorized representative with a copy of such records. The association may 1214 1215 not charge a member or his or her authorized representative for the use of a portable device. Notwithstanding this paragraph, 1216 1217 the following records shall not be accessible to members unit 1218 owners:

1219 Any record protected by the lawyer-client privilege as 1. 1220 described in s. 90.502 and any record protected by the work-1221 product privilege, including any record prepared by an 1222 association attorney or prepared at the attorney's express 1223 direction which reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the 1224 association, and which was prepared exclusively for civil or 1225 1226 criminal litigation or for adversarial administrative

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1227 proceedings, or which was prepared in anticipation of such 1228 litigation or proceedings until the conclusion of the litigation 1229 or proceedings.

1230 2. Information obtained by an association in connection 1231 with the approval of the lease, sale, or other transfer of a 1232 unit.

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

1240

4. Medical records of unit owners.

1241 Social security numbers, driver license numbers, credit 5. card numbers, e-mail addresses, telephone numbers, facsimile 1242 1243 numbers, emergency contact information, addresses of a unit 1244 owner other than as provided to fulfill the association's notice 1245 requirements, and other personal identifying information of any 1246 person, excluding the person's name, unit designation, mailing address, property address, and any address, e-mail address, or 1247 1248 facsimile number provided to the association to fulfill the 1249 association's notice requirements. Notwithstanding the 1250 restrictions in this subparagraph, an association may print and 1251 distribute to unit parcel owners a directory containing the

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1252 name, unit parcel address, and all telephone numbers of each 1253 unit parcel owner. However, an owner may exclude his or her 1254 telephone numbers from the directory by so requesting in writing 1255 to the association. An owner may consent in writing to the 1256 disclosure of other contact information described in this 1257 subparagraph. The association is not liable for the inadvertent 1258 disclosure of information that is protected under this 1259 subparagraph if the information is included in an official 1260 record of the association and is voluntarily provided by an 1261 owner and not requested by the association.

1262 6. Electronic security measures that are used by the 1263 association to safeguard data, including passwords.

1264 7. The software and operating system used by the 1265 association which allow the manipulation of data, even if the 1266 owner owns a copy of the same software used by the association. 1267 The data is part of the official records of the association.

Section 16. Paragraphs (b), (f), and (l) of subsection (1) of section 719.106, Florida Statutes, is amended, and subsection (3) is added to that section, to read:

1271

719.106 Bylaws; cooperative ownership.-

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

1275

(b) Quorum; voting requirements; proxies.-

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1276 Unless otherwise provided in the bylaws, the percentage 1. of voting interests required to constitute a quorum at a meeting 1277 1278 of the members shall be a majority of voting interests, and 1279 decisions shall be made by owners of a majority of the voting 1280 interests. Unless otherwise provided in this chapter, or in the 1281 articles of incorporation, bylaws, or other cooperative 1282 documents, and except as provided in subparagraph (d)1., 1283 decisions shall be made by owners of a majority of the voting 1284 interests represented at a meeting at which a quorum is present. 2. Except as specifically otherwise provided herein, after 1285 January 1, 1992, unit owners may not vote by general proxy, but 1286 1287 may vote by limited proxies substantially conforming to a limited proxy form adopted by the division. Limited proxies and 1288 1289 general proxies may be used to establish a quorum. Limited 1290 proxies shall be used for votes taken to waive or reduce 1291 reserves in accordance with subparagraph (j)2., for votes taken 1292 to waive the financial reporting requirements of s. 1293 719.104(4)(b), for votes taken to amend the articles of 1294 incorporation or bylaws pursuant to this section, and for any 1295 other matter for which this chapter requires or permits a vote 1296 of the unit owners. Except as provided in paragraph (d), after 1297 January 1, 1992, no proxy, limited or general, shall be used in the election of board members. General proxies may be used for 1298 other matters for which limited proxies are not required, and 1299 1300 may also be used in voting for nonsubstantive changes to items 079453 - h623-strike.docx

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1301 for which a limited proxy is required and given. Notwithstanding 1302 the provisions of this section, unit owners may vote in person 1303 at unit owner meetings. Nothing contained herein shall limit the 1304 use of general proxies or require the use of limited proxies or 1305 require the use of limited proxies for any agenda item or 1306 election at any meeting of a timeshare cooperative.

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

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

1319 A board or committee member participating in a meeting 5. 1320 via telephone, real-time video conferencing, or similar real-1321 time electronic or video communication counts toward a quorum, 1322 and such member may vote as if physically present When some or all of the board or committee members meet by telephone 1323 conference, those board or committee members attending by 1324 telephone conference may be counted toward obtaining a quorum 1325 079453 - h623-strike.docx

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1326 and may vote by telephone. A telephone speaker <u>must</u> shall be 1327 <u>used</u> utilized so that the conversation of <u>such</u> those board or 1328 committee members attending by telephone may be heard by the 1329 board or committee members attending in person, as well as by 1330 any unit owners present at a meeting.

1331 Recall of board members.-Subject to s. 719.301, any (f) 1332 member of the board of administration may be recalled and 1333 removed from office with or without cause by the vote or 1334 agreement in writing by a majority of all the voting interests. A special meeting of the voting interests to recall any member 1335 1336 of the board of administration may be called by 10 percent of 1337 the unit owners giving notice of the meeting as required for a meeting of unit owners, and the notice shall state the purpose 1338 1339 of the meeting. Electronic transmission may not be used as a 1340 method of giving notice of a meeting called in whole or in part for this purpose. 1341

1. If the recall is approved by a majority of all voting 1342 1343 interests by a vote at a meeting, the recall shall be effective 1344 as provided in this paragraph. The board shall duly notice and 1345 hold a board meeting within 5 full business days after the 1346 adjournment of the unit owner meeting to recall one or more 1347 board members. At the meeting, the board shall either certify the recall, in which case such member or members shall be 1348 recalled effective immediately and shall turn over to the board 1349 within 5 full business days any and all records and property of 1350 079453 - h623-strike.docx

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1351 the association in their possession, or shall proceed as set 1352 forth in subparagraph 3.

1353 2. If the proposed recall is by an agreement in writing by 1354 a majority of all voting interests, the agreement in writing or 1355 a copy thereof shall be served on the association by certified 1356 mail or by personal service in the manner authorized by chapter 48 and the Florida Rules of Civil Procedure. The board of 1357 1358 administration shall duly notice and hold a meeting of the board 1359 within 5 full business days after receipt of the agreement in 1360 writing. At the meeting, the board shall either certify the written agreement to recall members of the board, in which case 1361 1362 such members shall be recalled effective immediately and shall turn over to the board, within 5 full business days, any and all 1363 1364 records and property of the association in their possession, or 1365 proceed as described in subparagraph 3.

If the board determines not to certify the written 1366 3. 1367 agreement to recall members of the board, or does not certify 1368 the recall by a vote at a meeting, the board shall, within 5 1369 full business days after the board meeting, file with the 1370 division a petition for binding arbitration pursuant to the 1371 procedures of s. 719.1255 or file an action with a court of 1372 competent jurisdiction. For purposes of this paragraph, the unit 1373 owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for 1374 1375 arbitration or action with a court of competent jurisdiction. If

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1376 the arbitrator or court certifies the recall as to any member of the board, the recall shall be effective upon the final order of 1377 1378 the court or the mailing of the final order of arbitration to the association. If the association fails to comply with the 1379 order of the arbitrator or court, the division may take action 1380 1381 pursuant to s. 719.501. Any member so recalled shall deliver to 1382 the board any and all records and property of the association in the member's possession within 5 full business days after the 1383 effective date of the recall. 1384

1385 4. If the board fails to duly notice and hold a board 1386 meeting within 5 full business days after service of an 1387 agreement in writing or within 5 full business days after the 1388 adjournment of the unit owner recall meeting, the recall shall 1389 be deemed effective and the board members so recalled shall 1390 immediately turn over to the board any and all records and 1391 property of the association.

1392 5. If the board fails to duly notice and hold the required 1393 meeting or fails to file the required petition or action, the 1394 unit owner representative may file a petition pursuant to s. 1395 719.1255 or file an action in a court of competent jurisdiction 1396 challenging the board's failure to act. The petition or action 1397 must be filed within 60 days after the expiration of the applicable 5-full-business-day period. The review of a petition 1398 or action under this subparagraph is limited to the sufficiency 1399

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1400 of service on the board and the facial validity of the written 1401 agreement or ballots filed.

1402 6. If a vacancy occurs on the board as a result of a 1403 recall and less than a majority of the board members are 1404 removed, the vacancy may be filled by the affirmative vote of a 1405 majority of the remaining directors, notwithstanding any 1406 provision to the contrary contained in this chapter. If vacancies occur on the board as a result of a recall and a 1407 majority or more of the board members are removed, the vacancies 1408 1409 shall be filled in accordance with procedural rules to be 1410 adopted by the division, which rules need not be consistent with 1411 this chapter. The rules must provide procedures governing the conduct of the recall election as well as the operation of the 1412 1413 association during the period after a recall but before the 1414 recall election.

1415 7. A board member who has been recalled may file a 1416 petition pursuant to s. 719.1255 or file an action in a court of 1417 <u>competent jurisdiction</u> challenging the validity of the recall. 1418 The petition <u>or action</u> must be filed within 60 days after the 1419 recall is deemed certified. The association and the unit owner 1420 representative shall be named as the respondents.

1421 8. The division <u>or a court of competent jurisdiction</u> may 1422 not accept for filing a recall petition <u>or action</u>, whether filed 1423 pursuant to subparagraph 1., subparagraph 2., subparagraph 5., 1424 or subparagraph 7. and regardless of whether the recall was

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1425 certified, when there are 60 or fewer days until the scheduled 1426 reelection of the board member sought to be recalled or when 60 1427 or fewer days have not elapsed since the election of the board 1428 member sought to be recalled.

1429 (1) <u>Alternative Dispute Resolution</u> Arbitration.-There
1430 shall be a provision for mandatory nonbinding <u>alternative</u>
1431 <u>dispute resolution</u> arbitration of internal disputes arising from
1432 the operation of the cooperative in accordance with s. 719.1255.

1433 <u>(3) GENERALLY.-The association may extinguish a</u> 1434 <u>discriminatory restriction, as defined in s. 712.065(1),</u> 1435 <u>pursuant to s. 712.065.</u>

Section 17. Paragraph (1) of subsection (4) of section 720.303, Florida Statutes, is redesignated as paragraph (m), a new paragraph (1) is added to that subsection, and paragraph (c) of subsection (2), present paragraph (1) of subsection (4), and paragraphs (c) and (d) of subsection (6), and paragraphs (b), (d), (g), (k), and (1) of subsection (10) of that section are amended, to read:

1443 720.303 Association powers and duties; meetings of board; 1444 official records; budgets; financial reporting; association 1445 funds; recalls.-

1446

(2) BOARD MEETINGS.-

(c) The bylaws shall provide the following for giving notice to parcel owners and members of all board meetings and, if they do not do so, shall be deemed to include the following: 079453 - h623-strike.docx

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1450 1. Notices of all board meetings must be posted in a 1451 conspicuous place in the community at least 48 hours in advance 1452 of a meeting, except in an emergency. In the alternative, if 1453 notice is not posted in a conspicuous place in the community, 1454 notice of each board meeting must be mailed or delivered to each 1455 member at least 7 days before the meeting, except in an 1456 emergency. Notwithstanding this general notice requirement, for 1457 communities with more than 100 members, the association bylaws 1458 may provide for a reasonable alternative to posting or mailing of notice for each board meeting, including publication of 1459 notice, provision of a schedule of board meetings, or the 1460 1461 conspicuous posting and repeated broadcasting of the notice on a 1462 closed-circuit cable television system serving the homeowners' 1463 association. However, if broadcast notice is used in lieu of a 1464 notice posted physically in the community, the notice must be broadcast at least four times every broadcast hour of each day 1465 1466 that a posted notice is otherwise required. When broadcast 1467 notice is provided, the notice and agenda must be broadcast in a 1468 manner and for a sufficient continuous length of time so as to 1469 allow an average reader to observe the notice and read and 1470 comprehend the entire content of the notice and the agenda. In 1471 addition to any of the authorized means of providing notice of a meeting of the board, the association may, by rule, adopt a 1472 procedure for conspicuously posting the meeting notice and the 1473 1474 agenda on the association's website or mobile application for at 079453 - h623-strike.docx

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1475 least the minimum period of time for which a notice of a meeting 1476 is also required to be physically posted on the association 1477 property. Any rule adopted shall, in addition to other matters, 1478 include a requirement that the association send an electronic 1479 notice in the same manner as is required for a notice of a 1480 meeting of the members, which must include a hyperlink to the 1481 website or mobile appliation where the notice is posted, to 1482 members whose e-mail addresses are included in the association's 1483 official records. The association may provide notice by 1484 electronic transmission in a manner authorized by law for 1485 meetings of the board of directors, committee meetings requiring 1486 notice under this section, and annual and special meetings of the members to any member who has provided a facsimile number or 1487 1488 e-mail address to the association to be used for such purposes; 1489 however, a member must consent in writing to receiving notice by 1490 electronic transmission.

1491 2. An assessment may not be levied at a board meeting unless the notice of the meeting includes a statement that 1492 1493 assessments will be considered and the nature of the 1494 assessments. Written notice of any meeting at which special 1495 assessments will be considered or at which amendments to rules 1496 regarding parcel use will be considered must be mailed, delivered, or electronically transmitted to the members and 1497 parcel owners and posted conspicuously on the property or 1498

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1499 broadcast on closed-circuit cable television not less than 14

1500 days before the meeting.

1501 3. Directors may not vote by proxy or by secret ballot at 1502 board meetings, except that secret ballots may be used in the 1503 election of officers. This subsection also applies to the 1504 meetings of any committee or other similar body, when a final 1505 decision will be made regarding the expenditure of association 1506 funds, and to any body vested with the power to approve or 1507 disapprove architectural decisions with respect to a specific 1508 parcel of residential property owned by a member of the 1509 community.

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

1513 (1) Ballots, sign-in sheets, voting proxies, and all other
1514 papers and electronic records relating to voting by parcel
1515 owners, which must be maintained for at least 1 year after the
1516 date of the election, vote, or meeting.

1517 (m) (1) All other written records of the association not 1518 specifically included in this subsection the foregoing which are 1519 related to the operation of the association.

1520 (6) BUDGETS.-

1521 (c)1. If the budget of the association does not provide 1522 for reserve accounts pursuant to paragraph (d), or the

1523 declaration of covenants, articles, or bylaws do not obligate

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1524 the developer to create reserves, and the association is 1525 responsible for the repair and maintenance of capital 1526 improvements that may result in a special assessment if reserves 1527 are not provided or not fully funded, then each financial report 1528 for the preceding fiscal year required by subsection (7) must 1529 contain the following statement in conspicuous type: 1530 1531 THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR FULLY FUNDING RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED 1532 1533 MAINTENANCE THAT MAY RESULT IN SPECIAL ASSESSMENTS REGARDING 1534 THOSE ITEMS. OWNERS MAY ELECT TO PROVIDE FOR FULLY FUNDING 1535 RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF THE TOTAL 1536 1537 VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE MEMBERS AT A 1538 MEETING OR BY WRITTEN CONSENT. 1539 1540 2. If the budget of the association does provide for

funding accounts for deferred expenditures, including, but not limited to, funds for capital expenditures and deferred maintenance, but such accounts are not created or established pursuant to paragraph (d), each financial report for the preceding fiscal year required under subsection (7) must also contain the following statement in conspicuous type:

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1548 THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES 1549 1550 AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED 1551 1552 TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), 1553 FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE 1554 RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR 1555 ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.

1556 (d) An association is deemed to have provided for reserve 1557 accounts if reserve accounts have been initially established by 1558 the developer or if the membership of the association 1559 affirmatively elects to provide for reserves. If reserve 1560 accounts are established by the developer, the budget must 1561 designate the components for which the reserve accounts may be 1562 used. If reserve accounts are not initially provided by the 1563 developer, the membership of the association may elect to do so 1564 upon the affirmative approval of a majority of the total voting 1565 interests of the association. Such approval may be obtained by 1566 vote of the members at a duly called meeting of the membership 1567 or by the written consent of a majority of the total voting 1568 interests of the association. The approval action of the 1569 membership must state that reserve accounts shall be provided for in the budget and must designate the components for which 1570 1571 the reserve accounts are to be established. Upon approval by the membership, the board of directors shall include the required 1572

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1573 reserve accounts in the budget in the next fiscal year following 1574 the approval and each year thereafter. Once established as 1575 provided in this subsection, the reserve accounts must be funded 1576 or maintained or have their funding waived in the manner 1577 provided in paragraph (f).

1578

(10) RECALL OF DIRECTORS.-

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

The board shall duly notice and hold a meeting of the 1585 2. 1586 board within 5 full business days after receipt of the agreement 1587 in writing or written ballots. At the meeting, the board shall either certify the written ballots or written agreement to 1588 1589 recall a director or directors of the board, in which case such director or directors shall be recalled effective immediately 1590 1591 and shall turn over to the board within 5 full business days any 1592 and all records and property of the association in their 1593 possession, or proceed as described in paragraph (d).

3. When it is determined by the department pursuant to binding arbitration proceedings <u>or a court of competent</u> <u>jurisdiction</u> that an initial recall effort was defective, written recall agreements or written ballots used in the first

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1598 recall effort and not found to be defective may be reused in one 1599 subsequent recall effort. However, in no event is a written 1600 agreement or written ballot valid for more than 120 days after 1601 it has been signed by the member.

1602 4. Any rescission or revocation of a member's written 1603 recall ballot or agreement must be in writing and, in order to 1604 be effective, must be delivered to the association before the 1605 association is served with the written recall agreements or 1606 ballots.

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

If the board determines not to certify the written 1613 (d) 1614 agreement or written ballots to recall a director or directors 1615 of the board or does not certify the recall by a vote at a 1616 meeting, the board shall, within 5 full business days after the 1617 meeting, file an action with a court of competent jurisdiction 1618 or file with the department a petition for binding arbitration 1619 pursuant to the applicable procedures in ss. 718.112(2)(j) and 718.1255 and the rules adopted thereunder. For the purposes of 1620 this section, the members who voted at the meeting or who 1621 1622 executed the agreement in writing shall constitute one party

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under the petition for arbitration or action in a court of 1623 1624 competent jurisdiction. If the arbitrator or court certifies the 1625 recall as to any director or directors of the board, the recall 1626 will be effective upon the final order of the court or the 1627 mailing of the final order of arbitration to the association. 1628 The director or directors so recalled shall deliver to the board 1629 any and all records of the association in their possession 1630 within 5 full business days after the effective date of the 1631 recall.

1632 (q) If the board fails to duly notice and hold the 1633 required meeting or fails to file the required petition or 1634 action, the unit owner representative may file an action in a court of competent jurisdiction or a petition pursuant to s. 1635 1636 718.1255 challenging the board's failure to act. The petition or 1637 action must be filed within 60 days after the expiration of the applicable 5-full-business-day period. The review of a petition 1638 1639 or action under this paragraph is limited to the sufficiency of service on the board and the facial validity of the written 1640 1641 agreement or ballots filed.

(k) A board member who has been recalled may <u>file an</u> action with a court of competent jurisdiction or file a petition pursuant to ss. 718.112(2)(j) and 718.1255 and the rules adopted challenging the validity of the recall. The petition <u>or action</u> must be filed within 60 days after the recall is deemed

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1647 certified. The association and the unit owner representative 1648 shall be named as respondents.

1649 (1) The division or a court of competent jurisdiction may not accept for filing a recall petition or action, whether filed 1650 1651 pursuant to paragraph (b), paragraph (c), paragraph (g), or 1652 paragraph (k) and regardless of whether the recall was 1653 certified, when there are 60 or fewer days until the scheduled 1654 reelection of the board member sought to be recalled or when 60 1655 or fewer days have not elapsed since the election of the board 1656 member sought to be recalled.

Section 18. Subsections (1) and (2) of section 720.305, Florida Statutes, are amended to read:

1659 720.305 Obligations of members; remedies at law or in 1660 equity; levy of fines and suspension of use rights.-

(1) Each member and the member's tenants, guests, and invitees, and each association, are governed by, and must comply with, this chapter and, the governing documents of the community, and the rules of the association. Actions at law or in equity, or both, to redress alleged failure or refusal to comply with these provisions may be brought by the association or by any member against:

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(a) The association;

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(b) A member;

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1675

1670 (c) Any director or officer of an association who 1671 willfully and knowingly fails to comply with these provisions; 1672 and

1673 (d) Any tenants, guests, or invitees occupying a parcel or1674 using the common areas.

1676 The prevailing party in any such litigation is entitled to 1677 recover reasonable attorney fees and costs. A member prevailing in an action between the association and the member under this 1678 section, in addition to recovering his or her reasonable 1679 1680 attorney fees, may recover additional amounts as determined by 1681 the court to be necessary to reimburse the member for his or her share of assessments levied by the association to fund its 1682 1683 expenses of the litigation. This relief does not exclude other 1684 remedies provided by law. This section does not deprive any person of any other available right or remedy. 1685

1686 (2)An The association may levy reasonable fines. A fine may not exceed \$100 per violation against any member or any 1687 1688 member's tenant, quest, or invitee for the failure of the owner 1689 of the parcel or its occupant, licensee, or invitee to comply with any provision of the declaration, the association bylaws, 1690 1691 or reasonable rules of the association unless otherwise provided in the governing documents. A fine may be levied by the board 1692 for each day of a continuing violation, with a single notice and 1693 opportunity for hearing, except that the fine may not exceed 1694

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1695 \$1,000 in the aggregate unless otherwise provided in the 1696 governing documents. A fine of less than \$1,000 may not become a 1697 lien against a parcel. In any action to recover a fine, the 1698 prevailing party is entitled to reasonable attorney fees and 1699 costs from the nonprevailing party as determined by the court.

1700 An association may suspend, for a reasonable period of (a) 1701 time, the right of a member, or a member's tenant, quest, or 1702 invitee, to use common areas and facilities for the failure of 1703 the owner of the parcel or its occupant, licensee, or invitee to 1704 comply with any provision of the declaration, the association bylaws, or reasonable rules of the association. This paragraph 1705 1706 does not apply to that portion of common areas used to provide 1707 access or utility services to the parcel. A suspension may not 1708 prohibit an owner or tenant of a parcel from having vehicular 1709 and pedestrian ingress to and egress from the parcel, including, but not limited to, the right to park. 1710

1711 (b) A fine or suspension levied by the board of 1712 administration may not be imposed unless the board first 1713 provides at least 14 days' notice to the parcel owner and, if 1714 applicable, any occupant, licensee, or invitee of the parcel 1715 owner, sought to be fined or suspended and an opportunity for a 1716 hearing before a committee of at least three members appointed 1717 by the board who are not officers, directors, or employees of the association, or the spouse, parent, child, brother, or 1718 1719 sister of an officer, director, or employee. If the committee, 079453 - h623-strike.docx

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1720 by majority vote, does not approve a proposed fine or suspension, the proposed fine or suspension may not be imposed. 1721 1722 The role of the committee is limited to determining whether to 1723 confirm or reject the fine or suspension levied by the board. If 1724 the proposed fine or suspension levied by the board is approved 1725 by the committee, the fine payment is due 5 days after notice of the approved fine is provided to the parcel owner and, if 1726 applicable, to any occupant, licensee, or invitee of the parcel 1727 owner the date of the committee meeting at which the fine is 1728 1729 approved. The association must provide written notice of such 1730 fine or suspension by mail or hand delivery to the parcel owner 1731 and, if applicable, to any occupant tenant, licensee, or invitee 1732 of the parcel owner.

Section 19. Paragraph (g) of subsection (1) and paragraph (c) of subsection 9 of section 720.306, Florida Statutes, are amended, and paragraph (h) is added to subsection (1) to read:

1736 720.306 Meetings of members; voting and election 1737 procedures; amendments.-

1738 (1

(1) QUORUM; AMENDMENTS.-

(g) A notice required under this section must be mailed or delivered to the address identified as the parcel owner's mailing address <u>in the official records of the association as</u> required under s. 720.303(4) on the property appraiser's website for the county in which the parcel is located, or electronically transmitted in a manner authorized by the association if the 079453 - h623-strike.docx

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1745 parcel owner has consented, in writing, to receive notice by 1746 electronic transmission. (h)1. Except as provided herein, an amendment to any 1747 governing document enacted after July 1, 2020, that prohibits a 1748 1749 parcel owner from renting his or her parcel, alters the authorized duration of a rental term, or specifies or limits the 1750 1751 number of times that a parcel owner may rent his or her parcel 1752 during a specified period, applies only to a parcel owner who 1753 consents, individually or through a representative, to the 1754 amendment, and to parcel owners who acquire title to a parcel 1755 after the effective date of the amendment. 1756 2. Notwithstanding subparagraph 1. an association may 1757 amend its governing documents to prohibit or regulate rental 1758 durations that are for terms of less than six months, and 1759 prohibit a parcel owner from renting his or parcel more than 1760 three times in a calendar year. Any such amendments apply to all 1761 parcel owners. 1762 Nothing in this paragraph shall affect the amendment 3. 1763 restrictions for associations of 15 or fewer parcel owners as 1764 provided in s. 720.303(1). 1765 4. For purposes of this paragraph, a change of ownership 1766 does not occur when a parcel owner conveys the parcel to an 1767 affiliated entity or when beneficial ownership of the parcel 1768 does not change. For purposes of this paragraph, the term "affiliated entity" means an entity which controls, is 1769 079453 - h623-strike.docx Published On: 2/26/2020 7:30:56 PM

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1770 controlled by, or is under common control with the parcel owner 1771 or that becomes a parent or successor entity by reason of 1772 transfer, merger, consolidation, public offering, reorganization, dissolution or sale of stock, or transfer of 1773 1774 membership partnership interests. For a conveyance to be 1775 recognized as one made to an affiliated entity, the entity must 1776 furnish the association a document certifying that this paragraph applies, as well as providing any organizational 1777 1778 documents for the parcel owner and the affiliated entity that 1779 support the representations in the certificate, as requested by 1780 the association.

1781

(9) ELECTIONS AND BOARD VACANCIES.-

1782 (c) Any election dispute between a member and an 1783 association must be submitted to mandatory binding arbitration 1784 with the division or filed with a court of competent 1785 jurisdiction. Such proceedings that are submitted to mandatory 1786 binding arbitration with the division must be conducted in the manner provided by s. 718.1255 and the procedural rules adopted 1787 1788 by the division. Unless otherwise provided in the bylaws, any 1789 vacancy occurring on the board before the expiration of a term 1790 may be filled by an affirmative vote of the majority of the 1791 remaining directors, even if the remaining directors constitute less than a quorum, or by the sole remaining director. In the 1792 1793 alternative, a board may hold an election to fill the vacancy, in which case the election procedures must conform to the 1794 079453 - h623-strike.docx

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1795 requirements of the governing documents. Unless otherwise 1796 provided in the bylaws, a board member appointed or elected 1797 under this section is appointed for the unexpired term of the 1798 seat being filled. Filling vacancies created by recall is 1799 governed by s. 720.303(10) and rules adopted by the division.

Section 20. Subsection (1) of section 720.311, Florida
Statutes, is amended to read:

1802

720.311 Dispute resolution.-

1803 The Legislature finds that alternative dispute (1)1804 resolution has made progress in reducing court dockets and trials and in offering a more efficient, cost-effective option 1805 to litigation. The filing of any petition for arbitration or the 1806 1807 serving of a demand for presuit mediation as provided for in 1808 this section shall toll the applicable statute of limitations. 1809 Any recall dispute filed with the department pursuant to s. 1810 720.303(10) shall be conducted by the department in accordance 1811 with the provisions of ss. 718.112(2)(j) and 718.1255, and the 1812 rules adopted by the division. In addition, the department shall 1813 conduct mandatory binding arbitration of election disputes 1814 between a member and an association pursuant to s. 718.1255 and 1815 rules adopted by the division. Neither election disputes nor recall disputes are eligible for presuit mediation; these 1816 disputes shall be arbitrated by the department or filed in a 1817 court of competent jurisdiction. At the conclusion of a the 1818 proceeding filed for arbitration with the department, the 1819

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1820 department shall charge the parties a fee in an amount adequate 1821 to cover all costs and expenses incurred by the department in 1822 conducting the proceeding. Initially, the petitioner shall remit 1823 a filing fee of at least \$200 to the department. The fees paid 1824 to the department shall become a recoverable cost in the 1825 arbitration proceeding, and the prevailing party in an 1826 arbitration proceeding shall recover its reasonable costs and 1827 attorney's fees in an amount found reasonable by the arbitrator. 1828 The department shall adopt rules to effectuate the purposes of 1829 this section. Section 21. Subsection (6) is added to section 720.3075, 1830 1831 Florida Statutes, to read: 720.3075 Prohibited clauses in association documents.-1832 1833 (6) The association may extinguish a discriminatory restriction, as defined in s. 712.065(1), pursuant to s. 1834 1835 712.065. 1836 Section 22. This act shall take effect July 1, 2020. 1837 1838 1839 TITLE AMENDMENT 1840 1841 Remove everything before the enacting clause and insert: 1842 An act relating to community associations; amending s. 514.0015, F.S.; exempting certain property association 1843 1844 pools from Department of Health regulations; amending 079453 - h623-strike.docx Published On: 2/26/2020 7:30:56 PM

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1845 s. 627.714, F.S.; prohibiting subrogation rights against a condominium association under certain 1846 1847 circumstances; creating s. 712.065, F.S.; defining the 1848 term "discriminatory restriction"; providing that 1849 discriminatory restrictions are unlawful, 1850 unenforceable, and declared null and void; providing 1851 that certain discriminatory restrictions are 1852 extinguished and severed from recorded title 1853 transactions; specifying that the recording of certain 1854 notices does not reimpose or preserve a discriminatory 1855 restriction; providing requirements for a parcel owner 1856 to remove a discriminatory restriction from a covenant 1857 or restriction; amending s. 718.111, F.S.; requiring 1858 that certain records be maintained for a specified 1859 time; requiring associations to maintain official 1860 records in a specified manner; requiring an 1861 association to provide a checklist or affidavit relating to certain records to certain persons; 1862 1863 providing a timeframe for maintaining such checklist 1864 and affidavit; creating a rebuttable presumption; 1865 prohibiting an association from requiring certain 1866 actions relating to the inspection of records; 1867 revising requirements relating to the posting of 1868 digital copies of certain documents by certain 1869 condominium associations; conforming cross-references; 079453 - h623-strike.docx

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1870 amending s. 718.112, F.S.; authorizing condominium 1871 associations to extinguish discriminatory 1872 restrictions; specifying that only board service that 1873 occurs on or after a specified date may be used for 1874 calculating a board member's term limit; providing 1875 requirements for certain notices; revising the fees an 1876 association may charge for transfers; conforming 1877 provisions to changes made by the act; deleting a prohibition against employing or contracting with 1878 1879 certain service providers; amending s. 718.113, F.S.; 1880 defining the terms "natural gas fuel" and "natural gas 1881 fuel vehicle"; revising legislative findings; revising 1882 requirements for electric vehicle charging stations; 1883 providing requirements for the installation of natural 1884 gas fuel stations on property governed by condominium 1885 associations; amending s. 718.1255, F.S.; authorizing 1886 parties to initiate presuit mediation under certain 1887 circumstances; specifying when arbitration is binding 1888 on the parties; providing requirements for presuit 1889 mediation; amending s. 718.117, F.S.; conforming 1890 provisions to changes made by the act; amending s. 1891 718.121, F.S.; providing when the installation of a 1892 natural gas fuel station may be the basis of a lien; 1893 amending s. 718.202, F.S.; revising how developers may 1894 use certain withdrawn escrow funds; amending s.

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1895 718.303, F.S.; revising requirements for certain 1896 actions for failure to comply with specified 1897 provisions; revising requirements for certain fines; amending s. 718.501, F.S.; defining the term 1898 1899 "financial issue"; authorizing the Division of Condominiums, Timeshares, and Mobile Homes to adopt 1900 rules; amending s. 718.5014, F.S.; revising where the 1901 principal office of the Office of the Condominium 1902 1903 Ombudsman must be maintained; amending s. 719.103, 1904 F.S.; revising the definition of the term "unit" to 1905 specify that an interest in a cooperative unit is an 1906 interest in real property; amending s. 719.104, F.S.; 1907 prohibiting an association from requiring certain 1908 actions relating to the inspection of records; making 1909 technical changes; amending s. 719.106, F.S.; revising 1910 provisions relating to a quorum and voting rights for 1911 members remotely participating in meetings; amending 1912 procedure to challenge a board member recall; 1913 conforming provisions to changes made by the act; 1914 authorizing cooperative associations to extinguish 1915 discriminatory restrictions; amending s. 720.303, 1916 F.S.; authorizing an association to adopt procedures 1917 for electronic meeting notices; revising the documents that constitute the official records of an 1918 1919 association; revising when a specified statement must 079453 - h623-strike.docx

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1920	be included in an association's financial report for
1921	the preceding fiscal year; revising requirements for
1922	such statement; revising when an association is deemed
1923	to have provided for reserve accounts; amending
1924	procedure to challenge a board member recall; amending
1925	s. 720.305, F.S.; providing requirements for certain
1926	fines; amending s. 720.306, F.S.; revising
1927	requirements for providing certain notices; providing
1928	limitations on associations when a parcel owner
1929	attempts to rent or lease his or her parcel; amending
1930	the procedure for election disputes; amending s.
1931	720.311, F.S.; amending procedure for election
1932	disputes; amending s. 720.3075, F.S.; authorizing
1933	homeowners' associations to extinguish discriminatory
1934	restrictions; providing an effective date.

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