| 1 | A bill to be entitled |
|----|--------------------------------------------------------|
| 2 | An act relating to condominium and cooperative |
| 3 | associations; amending s. 468.4334, F.S.; requiring |
| 4 | community association managers and community |
| 5 | association management firms to comply with specified |
| 6 | provisions under certain circumstances; amending s. |
| 7 | 468.436, F.S.; providing grounds for disciplinary |
| 8 | action; amending ss. 718.103 and 719.103, F.S.; |
| 9 | providing definitions; amending ss. 718.104 and |
| 10 | 719.1035, F.S.; requiring certain associations to |
| 11 | provide certain information to the Division of Florida |
| 12 | Condominiums, Timeshares, and Mobile Homes within a |
| 13 | specified time; amending s. 718.111, F.S.; revising |
| 14 | documents that constitute official records; requiring |
| 15 | certain official records to be maintained for a |
| 16 | specified period of time; providing that a renter of a |
| 17 | unit has a right to copy and inspect certain written |
| 18 | reports; revising documents that must be posted |
| 19 | online; conforming a cross-reference; amending ss. |
| 20 | 718.112 and 719.106, F.S.; specifying the method for |
| 21 | determining reserve amounts; prohibiting certain |
| 22 | members and associations from waiving or reducing |
| 23 | reserves for certain items after a specified date; |
| 24 | requiring certain associations to receive approval |
| 25 | before waiving or reducing reserves for certain items; |
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26 prohibiting certain associations from using reserve 27 funds, or any interest accruing thereon, for certain 28 purposes after a specified date; requiring certain 29 associations to have a structural integrity reserve study completed at specified intervals and for certain 30 buildings by a specified date; providing requirements 31 32 for such study; conforming provisions to changes made 33 by the act; amending s. 718.116, F.S.; conforming a 34 cross-reference; amending s. 718.117, F.S.; providing that certain condominiums may be terminated by a 35 36 majority vote under certain circumstances; providing 37 requirements for meetings in which a plan of 38 termination will be considered; specifying the method 39 for determining a condominium's fair market value; 40 conforming a cross-reference; creating ss. 718.132 and 41 719.132, F.S.; providing definitions; requiring 42 certain associations to have specified buildings 43 recertified at specified intervals; requiring phase 2 44 inspections under certain circumstances; providing requirements for such recertifications and 45 46 inspections; providing notice requirements; providing 47 requirements for certain associations and local 48 building officials; authorizing local building 49 officials to prescribe penalties, which must be posted on the building department's website; amending ss. 50

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51 718.301 and 719.301, F.S.; requiring developers to 52 deliver certain information to certain associations 53 when transferring control; amending ss. 718.501 and 54 719.501, F.S.; providing that the division has jurisdiction to investigate specified complaints; 55 56 requiring certain associations to provide certain 57 information and updates to the division by a specified 58 date and within a specified time; requiring the 59 division to compile a list with certain information and post such list on its website; amending ss. 60 61 718.503 and 719.503, F.S.; requiring a developer or 62 unit owner, as applicable, to deliver certain 63 documents to a buyer or lessee of a unit; amending ss. 64 718.504 and 719.504, F.S.; requiring certain 65 information to be included in a prospectus or an 66 offering circular; amending s. 719.104, F.S.; revising documents that constitute official records; amending 67 68 ss. 720.303, 720.311, and 721.15, F.S.; conforming 69 cross-references; providing an appropriation; 70 providing an effective date. 71 72 Be It Enacted by the Legislature of the State of Florida: 73 74 Section 1. Subsection (1) of section 468.4334, Florida 75 Statutes, is amended to read:

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76 468.4334 Professional practice standards; liability.-77 (1) (a) A community association manager or a community 78 association management firm is deemed to act as agent on behalf of a community association as principal within the scope of 79 80 authority authorized by a written contract or under this chapter. A community association manager and a community 81 82 association management firm shall discharge duties performed on behalf of the association as authorized by this chapter loyally, 83 84 skillfully, and diligently; dealing honestly and fairly; in good 85 faith; with care and full disclosure to the community association; accounting for all funds; and not charging 86 87 unreasonable or excessive fees. (b) If a community association manager or a community 88 89 association management firm has a contract with a community 90 association with a building on the association's property that 91 is subject to recertification under s. 718.132 or s. 719.132, 92 the community association manager or the community association 93 management firm must comply with such sections. 94 Section 2. Paragraph (b) of subsection (2) of section 468.436, Florida Statutes, is amended to read: 95 96 468.436 Disciplinary proceedings.-97 The following acts constitute grounds for which the (2)98 disciplinary actions in subsection (4) may be taken: 99 (b)1. Violation of any provision of this part. 2. Violation of any lawful order or rule rendered or 100

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101 adopted by the department or the council. 3. 102 Being convicted of or pleading nolo contendere to a 103 felony in any court in the United States. 104 4. Obtaining a license or certification or any other 105 order, ruling, or authorization by means of fraud, misrepresentation, or concealment of material facts. 106 107 5. Committing acts of gross misconduct or gross negligence in connection with the profession. 108 109 6. Contracting, on behalf of an association, with any entity in which the licensee has a financial interest that is 110 111 not disclosed. 7. Violating any provision of chapter 718, chapter 719, or 112 chapter 720 during the course of performing community 113 114 association management services pursuant to a contract with a 115 community association as defined in s. 468.431(1). 116 8. Failing to provide a written recertification report to 117 a local building official, if the community association manager 118 or the community association management firm receives the 119 report, in accordance with s. 718.132 or s. 719.132 during the course of performing community association management services 120 pursuant to a contract with a condominium, as defined in s. 121 718.103, or a cooperative, as defined in s. 719.103. 122 123 Section 3. Subsections (22), (23), and (24) and (25) 124 through (30) of section 718.103, Florida Statutes, are 125 renumbered as subsections (23), (24), and (25) and (27) through

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| 126 | (32), respectively, and new subsections (22) and (26) are added |
|-----|------------------------------------------------------------------|
| 127 | to that section to read: |
| 128 | 718.103 DefinitionsAs used in this chapter, the term: |
| 129 | (22) "Primary structural member" has the same meaning as |
| 130 | <u>in s. 627.706(2).</u> |
| 131 | (26) "Structural integrity reserve study" means a study of |
| 132 | the reserve funds required for future major repairs and |
| 133 | replacement of the common elements based on a visual inspection |
| 134 | of the common elements. A structural integrity reserve study may |
| 135 | be performed by any person or entity qualified to perform such |
| 136 | study. However, the visual inspection portion of the structural |
| 137 | integrity reserve study must be performed by an engineer |
| 138 | licensed under chapter 471 or an architect licensed under |
| 139 | chapter 481. At a minimum, a structural integrity reserve study |
| 140 | must identify the common elements being visually inspected, |
| 141 | state the estimated remaining useful life and the estimated |
| 142 | replacement cost or deferred maintenance expense of the common |
| 143 | elements being visually inspected, and provide a recommended |
| 144 | annual reserve amount that achieves the estimated replacement |
| 145 | cost or deferred maintenance expense of each common element |
| 146 | being visually inspected by the end of the estimated remaining |
| 147 | useful life of each common element. |
| 148 | Section 4. Subsection (2) of section 718.104, Florida |
| 149 | Statutes, is amended to read: |
| 150 | 718.104 Creation of condominiums; contents of |
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151 declaration.—Every condominium created in this state shall be 152 created pursuant to this chapter.

153 (2) A condominium is created by recording a declaration in 154 the public records of the county where the land is located, 155 executed and acknowledged with the requirements for a deed. All 156 persons who have record title to the interest in the land being 157 submitted to condominium ownership, or their lawfully authorized 158 agents, must join in the execution of the declaration. Upon the 159 recording of the declaration, or an amendment adding a phase to the condominium under s. 718.403(6), all units described in the 160 161 declaration or phase amendment as being located in or on the 162 land then being submitted to condominium ownership shall come into existence, regardless of the state of completion of planned 163 164 improvements in which the units may be located or any other 165 requirement or description that a declaration may provide. Upon 166 recording the declaration of condominium pursuant to this 167 section, the developer shall file the recording information with 168 the division within 120 calendar days on a form prescribed by 169 the division. If the condominium is subject to s. 718.132 and 170 has at least one building on condominium property that is three stories or higher in height, the developer must also provide 171 information to the division indicating the number of buildings 172 173 described in the declaration located on the condominium property 174 that are three stories or higher in height, the total number of 175 units in all such buildings, and the addresses of such buildings

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176 within 120 calendar days after recording the declaration on a 177 form prescribed by the division. 178 Section 5. Paragraph (b) of subsection (7) and paragraphs 179 (a), (b), (c), and (g) of subsection (12) of section 718.111, Florida Statutes, are amended to read: 180 718.111 The association.-181 182 (7) TITLE TO PROPERTY.-183 Subject to s. 718.112(2)(n) the provisions of s. (b) 184 718.112(2)(m), the association, through its board, has the 185 limited power to convey a portion of the common elements to a 186 condemning authority for the purposes of providing utility easements, right-of-way expansion, or other public purposes, 187 188 whether negotiated or as a result of eminent domain proceedings. 189 OFFICIAL RECORDS.-(12)190 From the inception of the association, the association (a) 191 shall maintain each of the following items, if applicable, which 192 constitutes the official records of the association: 193 1. A copy of the plans, permits, warranties, and other 194 items provided by the developer under s. 718.301(4). 195 2. A photocopy of the recorded declaration of condominium 196 of each condominium operated by the association and each amendment to each declaration. 197 198 A photocopy of the recorded bylaws of the association 3. 199 and each amendment to the bylaws. 200 4. A certified copy of the articles of incorporation of Page 8 of 102

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201 the association, or other documents creating the association, 202 and each amendment thereto.

203

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

204 6. A book or books that contain the minutes of all
205 meetings of the association, the board of administration, and
206 the unit owners.

207 7. A current roster of all unit owners and their mailing addresses, unit identifications, voting certifications, and, if 208 209 known, telephone numbers. The association shall also maintain 210 the e-mail addresses and facsimile numbers of unit owners consenting to receive notice by electronic transmission. The e-211 212 mail addresses and facsimile numbers are not accessible to unit 213 owners if consent to receive notice by electronic transmission 214 is not provided in accordance with sub-subparagraph (c)3.e. 215 However, the association is not liable for an inadvertent 216 disclosure of the e-mail address or facsimile number for 217 receiving electronic transmission of notices.

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.

224 10. Bills of sale or transfer for all property owned by 225 the association.

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226 Accounting records for the association and separate 11. 227 accounting records for each condominium that the association 228 operates. Any person who knowingly or intentionally defaces or 229 destroys such records, or who knowingly or intentionally fails 230 to create or maintain such records, with the intent of causing 231 harm to the association or one or more of its members, is 232 personally subject to a civil penalty pursuant to s. 233 718.501(1)(d). The accounting records must include, but are not 234 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.

c. All audits, reviews, accounting statements, <u>structural</u>
 <u>integrity reserve studies</u>, and 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 for at least 1 year after receipt
of the bid.

248 12. Ballots, sign-in sheets, voting proxies, and all other 249 papers and electronic records relating to voting by unit owners, 250 which must be maintained for 1 year from the date of the

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251 election, vote, or meeting to which the document relates, 252 notwithstanding paragraph (b). 253 13. All rental records if the association is acting as 254 agent for the rental of condominium units. 255 A copy of the current question and answer sheet as 14. 256 described in s. 718.504. 257 15. A copy of the inspection report as described in s. 258 718.301(4)(p). 259 16. Bids for materials, equipment, or services. 260 17. All affirmative acknowledgments made pursuant to s. 261 718.121(4)(c). 262 18. All written recertification reports and written phase 263 <u>2 inspection reports if required under s. 718.132.</u> 264 19.18. All other written records of the association not 265 specifically included in the foregoing which are related to the 266 operation of the association. 267 The official records specified in subparagraphs (a)1.-(b) 268 6. and 18. must be permanently maintained from the inception of 269 the association. Bids for work to be performed or for materials, 270 equipment, or services must be maintained for at least 1 year 271 after receipt of the bid. Structural integrity reserve studies must be maintained for at least 15 years after the study is 272 273 completed. All other official records must be maintained within 274 the state for at least 7 years, unless otherwise provided by 275 general law. The records of the association shall be made

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276 available to a unit owner within 45 miles of the condominium 277 property or within the county in which the condominium property 278 is located within 10 working days after receipt of a written 279 request by the board or its designee. However, such distance 280 requirement does not apply to an association governing a 281 timeshare condominium. This paragraph may be complied with by 282 having a copy of the official records of the association 283 available for inspection or copying on the condominium property 284 or association property, or the association may offer the option 285 of making the records available to a unit owner electronically 286 via the Internet or by allowing the records to be viewed in 287 electronic format on a computer screen and printed upon request. 288 The association is not responsible for the use or misuse of the 289 information provided to an association member or his or her 290 authorized representative in compliance with this chapter unless 291 the association has an affirmative duty not to disclose such 292 information under this chapter.

293 (c)1. The official records of the association are open to 294 inspection by any association member or the authorized 295 representative of such member at all reasonable times. The right 296 to inspect the records includes the right to make or obtain 297 copies, at the reasonable expense, if any, of the member or 298 authorized representative of such member. A renter of a unit has a right to inspect and copy only the declaration of condominium, 299 and the association's bylaws and rules, and, if applicable, the 300

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301 association's written recertification reports and written phase 302 2 inspection reports as described in s. 718.132. The association 303 may adopt reasonable rules regarding the frequency, time, location, notice, and manner of record inspections and copying 304 305 but may not require a member to demonstrate any purpose or state 306 any reason for the inspection. The failure of an association to 307 provide the records within 10 working days after receipt of a 308 written request creates a rebuttable presumption that the 309 association willfully failed to comply with this paragraph. A unit owner who is denied access to official records is entitled 310 to the actual damages or minimum damages for the association's 311 312 willful failure to comply. Minimum damages are \$50 per calendar day for up to 10 days, beginning on the 11th working day after 313 314 receipt of the written request. The failure to permit inspection 315 entitles any person prevailing in an enforcement action to 316 recover reasonable attorney fees from the person in control of 317 the records who, directly or indirectly, knowingly denied access 318 to the records.

2. Any person who knowingly or intentionally defaces or destroys accounting records that are required by this chapter to be maintained during the period for which such records are required to be maintained, or who knowingly or intentionally fails to create or maintain accounting records that are required to be created or maintained, with the intent of causing harm to the association or one or more of its members, is personally

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326 subject to a civil penalty under pursuant to s. 718.501(1)(d). 327 The association must shall maintain an adequate number 3. 328 of copies of the declaration, articles of incorporation, bylaws, 329 and rules, and all amendments to each of the foregoing, as well 330 as the question and answer sheet as described in s. 718.504 and 331 year-end financial information required under this section, on 332 the condominium property to ensure their availability to unit 333 owners and prospective purchasers, and may charge its actual 334 costs for preparing and furnishing these documents to those 335 requesting the documents. An association must shall allow a 336 member or his or her authorized representative to use a portable 337 device, including a smartphone, tablet, portable scanner, or any 338 other technology capable of scanning or taking photographs, to 339 make an electronic copy of the official records in lieu of the 340 association's providing the member or his or her authorized 341 representative with a copy of such records. The association may 342 not charge a member or his or her authorized representative for 343 the use of a portable device. Notwithstanding this paragraph, 344 the following records are not accessible to unit owners:

a. Any record protected by the lawyer-client privilege as
described in s. 90.502 and any record protected by the workproduct privilege, including a record prepared by an association
attorney or prepared at the attorney's express direction, which
reflects a mental impression, conclusion, litigation strategy,
or legal theory of the attorney or the association, and which

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351 was prepared exclusively for civil or criminal litigation or for 352 adversarial administrative proceedings, or which was prepared in 353 anticipation of such litigation or proceedings until the 354 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.

358 c. Personnel records of association or management company 359 employees, including, but not limited to, disciplinary, payroll, 360 health, and insurance records. For purposes of this sub-361 subparagraph, the term "personnel records" does not include 362 written employment agreements with an association employee or 363 management company, or budgetary or financial records that 364 indicate the compensation paid to an association employee.

365

d. Medical records of unit owners.

366 Social security numbers, driver license numbers, credit е. 367 card numbers, e-mail addresses, telephone numbers, facsimile 368 numbers, emergency contact information, addresses of a unit 369 owner other than as provided to fulfill the association's notice 370 requirements, and other personal identifying information of any person, excluding the person's name, unit designation, mailing 371 372 address, property address, and any address, e-mail address, or 373 facsimile number provided to the association to fulfill the 374 association's notice requirements. Notwithstanding the restrictions in this sub-subparagraph, an association may print 375

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376 and distribute to unit owners a directory containing the name, 377 unit address, and all telephone numbers of each unit owner. 378 However, an owner may exclude his or her telephone numbers from 379 the directory by so requesting in writing to the association. An 380 owner may consent in writing to the disclosure of other contact 381 information described in this sub-subparagraph. The association 382 is not liable for the inadvertent disclosure of information that is protected under this sub-subparagraph if the information is 383 384 included in an official record of the association and is 385 voluntarily provided by an owner and not requested by the 386 association.

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

389 g. The software and operating system used by the 390 association which allow the manipulation of data, even if the 391 owner owns a copy of the same software used by the association. 392 The data is part of the official records of the association.

393 h. All affirmative acknowledgments made pursuant to s.394 718.121(4)(c).

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

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401 The association's website or application must be: а. 402 An independent website, application, or web portal (I) 403 wholly owned and operated by the association; or 404 (II)A website, application, or web portal operated by a 405 third-party provider with whom the association owns, leases, 406 rents, or otherwise obtains the right to operate a web page, 407 subpage, web portal, collection of subpages or web portals, or an application which is dedicated to the association's 408

409 activities and on which required notices, records, and documents410 may be posted or made available by the association.

b. The association's website or application 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.

416 c. Upon a unit owner's written request, the association 417 must provide the unit owner with a username and password and 418 access to the protected sections of the association's website or 419 application which contain any notices, records, or documents 420 that must be electronically provided.

421 2. A current copy of the following documents must be 422 posted in digital format on the association's website or 423 application:

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

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426 each declaration.

427 b. The recorded bylaws of the association and each 428 amendment to the bylaws.

429 с. The articles of incorporation of the association, or 430 other documents creating the association, and each amendment to 431 the articles of incorporation or other documents. The copy 432 posted pursuant to this sub-subparagraph must be a copy of the 433 articles of incorporation filed with the Department of State. d.

434

The rules of the association.

435 A list of all executory contracts or documents to which e. 436 the association is a party or under which the association or the 437 unit owners have an obligation or responsibility and, after 438 bidding for the related materials, equipment, or services has 439 closed, a list of bids received by the association within the 440 past year. Summaries of bids for materials, equipment, or 441 services which exceed \$500 must be maintained on the website or 442 application for 1 year. In lieu of summaries, complete copies of 443 the bids may be posted.

444 The annual budget required by s. 718.112(2)(f) and any f. 445 proposed budget to be considered at the annual meeting.

446 The financial report required by subsection (13) and α. 447 any monthly income or expense statement to be considered at a 448 meeting.

The certification of each director required by s. 449 h. 718.112(2)(d)4.b. 450

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

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).

459 k. The notice of any unit owner meeting and the agenda for 460 the meeting, as required by s. 718.112(2)(d)3., no later than 14 461 days before the meeting. The notice must be posted in plain view 462 on the front page of the website or application, or on a 463 separate subpage of the website or application labeled "Notices" 464 which is conspicuously visible and linked from the front page. 465 The association must also post on its website or application any 466 document to be considered and voted on by the owners during the 467 meeting or any document listed on the agenda at least 7 days 468 before the meeting at which the document or the information 469 within the document will be considered.

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 s. 718.112(2)(c).

474 <u>m. The association's most recent structural integrity</u>
 475 <u>reserve study, if applicable.</u>

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476 The association's most recent written recertification n. 477 report and written phase 2 inspection report as described in s. 478 718.132, if applicable. The association shall ensure that the information and 479 3. 480 records described in paragraph (c), which are not allowed to be 481 accessible to unit owners, are not posted on the association's 482 website or application. If protected information or information 483 restricted from being accessible to unit owners is included in 484 documents that are required to be posted on the association's 485 website or application, the association must shall ensure the 486 information is redacted before posting the documents. 487 Notwithstanding the foregoing, the association or its agent is 488 not liable for disclosing information that is protected or 489 restricted under this paragraph unless such disclosure was made 490 with a knowing or intentional disregard of the protected or 491 restricted nature of such information. 492 The failure of the association to post information 4. 493 required under subparagraph 2. is not in and of itself 494 sufficient to invalidate any action or decision of the 495 association's board or its committees. 496 Section 6. Paragraphs (g) through (o) of subsection (2) of 497 section 718.112, Florida Statutes, are redesignated as 498 paragraphs (h) through (p), respectively, paragraphs (d) and (f) 499 of that subsection are amended, and a new paragraph (g) is added to that subsection, to read: 500 Page 20 of 102

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501

718.112 Bylaws.-

502 (2) REQUIRED PROVISIONS.—The bylaws shall provide for the 503 following and, if they do not do so, shall be deemed to include 504 the following:

505

(d) Unit owner meetings.-

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

512 2. Unless the bylaws provide otherwise, a vacancy on the 513 board caused by the expiration of a director's term must be 514 filled by electing a new board member, and the election must be 515 by secret ballot. An election is not required if the number of 516 vacancies equals or exceeds the number of candidates. For 517 purposes of this paragraph, the term "candidate" means an 518 eligible person who has timely submitted the written notice, as 519 described in sub-subparagraph 4.a., of his or her intention to 520 become a candidate. Except in a timeshare or nonresidential 521 condominium, or if the staggered term of a board member does not expire until a later annual meeting, or if all members' terms 522 523 would otherwise expire but there are no candidates, the terms of 524 all board members expire at the annual meeting, and such members 525 may stand for reelection unless prohibited by the bylaws. Board

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526 members may serve terms longer than 1 year if permitted by the 527 bylaws or articles of incorporation. A board member may not 528 serve more than 8 consecutive years unless approved by an 529 affirmative vote of unit owners representing two-thirds of all 530 votes cast in the election or unless there are not enough 531 eligible candidates to fill the vacancies on the board at the 532 time of the vacancy. Only board service that occurs on or after 533 July 1, 2018, may be used when calculating a board member's term 534 limit. If the number of board members whose terms expire at the 535 annual meeting equals or exceeds the number of candidates, the 536 candidates become members of the board effective upon the 537 adjournment of the annual meeting. Unless the bylaws provide 538 otherwise, any remaining vacancies shall be filled by the 539 affirmative vote of the majority of the directors making up the 540 newly constituted board even if the directors constitute less 541 than a quorum or there is only one director. In a residential 542 condominium association of more than 10 units or in a 543 residential condominium association that does not include 544 timeshare units or timeshare interests, co-owners of a unit may 545 not serve as members of the board of directors at the same time 546 unless they own more than one unit or unless there are not 547 enough eligible candidates to fill the vacancies on the board at 548 the time of the vacancy. A unit owner in a residential 549 condominium desiring to be a candidate for board membership must comply with sub-subparagraph 4.a. and must be eligible to be a 550

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551 candidate to serve on the board of directors at the time of the 552 deadline for submitting a notice of intent to run in order to 553 have his or her name listed as a proper candidate on the ballot 554 or to serve on the board. A person who has been suspended or 555 removed by the division under this chapter, or who is delinquent 556 in the payment of any assessment due to the association, is not 557 eligible to be a candidate for board membership and may not be 558 listed on the ballot. For purposes of this paragraph, a person 559 is delinquent if a payment is not made by the due date as 560 specifically identified in the declaration of condominium, 561 bylaws, or articles of incorporation. If a due date is not 562 specifically identified in the declaration of condominium, 563 bylaws, or articles of incorporation, the due date is the first 564 day of the assessment period. A person who has been convicted of 565 any felony in this state or in a United States District or 566 Territorial Court, or who has been convicted of any offense in 567 another jurisdiction which would be considered a felony if 568 committed in this state, is not eligible for board membership 569 unless such felon's civil rights have been restored for at least 570 5 years as of the date such person seeks election to the board. 571 The validity of an action by the board is not affected if it is 572 later determined that a board member is ineligible for board 573 membership due to having been convicted of a felony. This 574 subparagraph does not limit the term of a member of the board of 575 a nonresidential or timeshare condominium.

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576 The bylaws must provide the method of calling meetings 3. 577 of unit owners, including annual meetings. Written notice of an 578 annual meeting must include an agenda; be mailed, hand 579 delivered, or electronically transmitted to each unit owner at 580 least 14 days before the annual meeting; and be posted in a 581 conspicuous place on the condominium property or association 582 property at least 14 continuous days before the annual meeting. 583 Written notice of a meeting other than an annual meeting must 584 include an agenda; be mailed, hand delivered, or electronically 585 transmitted to each unit owner; and be posted in a conspicuous 586 place on the condominium property or association property within 587 the timeframe specified in the bylaws. If the bylaws do not 588 specify a timeframe for written notice of a meeting other than 589 an annual meeting, notice must be provided at least 14 590 continuous days before the meeting. Upon notice to the unit 591 owners, the board shall, by duly adopted rule, designate a 592 specific location on the condominium property or association 593 property where all notices of unit owner meetings must be 594 posted. This requirement does not apply if there is no 595 condominium property for posting notices. In lieu of, or in 596 addition to, the physical posting of meeting notices, the 597 association may, by reasonable rule, adopt a procedure for 598 conspicuously posting and repeatedly broadcasting the notice and 599 the agenda on a closed-circuit cable television system serving the condominium association. However, if broadcast notice is 600

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601 used in lieu of a notice posted physically on the condominium 602 property, the notice and agenda must be broadcast at least four 603 times every broadcast hour of each day that a posted notice is 604 otherwise required under this section. If broadcast notice is 605 provided, the notice and agenda must be broadcast in a manner 606 and for a sufficient continuous length of time so as to allow an 607 average reader to observe the notice and read and comprehend the 608 entire content of the notice and the agenda. In addition to any 609 of the authorized means of providing notice of a meeting of the board, the association may, by rule, adopt a procedure for 610 611 conspicuously posting the meeting notice and the agenda on a 612 website serving the condominium association for at least the minimum period of time for which a notice of a meeting is also 613 614 required to be physically posted on the condominium property. 615 Any rule adopted shall, in addition to other matters, include a 616 requirement that the association send an electronic notice in 617 the same manner as a notice for a meeting of the members, which 618 must include a hyperlink to the website where the notice is 619 posted, to unit owners whose e-mail addresses are included in 620 the association's official records. Unless a unit owner waives 621 in writing the right to receive notice of the annual meeting, 622 such notice must be hand delivered, mailed, or electronically 623 transmitted to each unit owner. Notice for meetings and notice 624 for all other purposes must be mailed to each unit owner at the 625 address last furnished to the association by the unit owner, or

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626 hand delivered to each unit owner. However, if a unit is owned 627 by more than one person, the association must provide notice to 628 the address that the developer identifies for that purpose and thereafter as one or more of the owners of the unit advise the 629 630 association in writing, or if no address is given or the owners 631 of the unit do not agree, to the address provided on the deed of 632 record. An officer of the association, or the manager or other 633 person providing notice of the association meeting, must provide 634 an affidavit or United States Postal Service certificate of 635 mailing, to be included in the official records of the 636 association affirming that the notice was mailed or hand 637 delivered in accordance with this provision.

4. The members of the board of a residential condominium shall be elected by written ballot or voting machine. Proxies may not be used in electing the board in general elections or 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.

a. At least 60 days before a scheduled election, the
association shall mail, deliver, or electronically transmit, by
separate association mailing or included in another association
mailing, delivery, or transmission, including regularly
published newsletters, to each unit owner entitled to a vote, a
first notice of the date of the election. A unit owner or other

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651 eligible person desiring to be a candidate for the board must 652 give written notice of his or her intent to be a candidate to 653 the association at least 40 days before a scheduled election. 654 Together with the written notice and agenda as set forth in 655 subparagraph 3., the association shall mail, deliver, or 656 electronically transmit a second notice of the election to all 657 unit owners entitled to vote, together with a ballot that lists 658 all candidates not less than 14 days or more than 34 days before 659 the date of the election. Upon request of a candidate, an 660 information sheet, no larger than 8 1/2 inches by 11 inches, 661 which must be furnished by the candidate at least 35 days before 662 the election, must be included with the mailing, delivery, or 663 transmission of the ballot, with the costs of mailing, delivery, 664 or electronic transmission and copying to be borne by the 665 association. The association is not liable for the contents of 666 the information sheets prepared by the candidates. In order to 667 reduce costs, the association may print or duplicate the 668 information sheets on both sides of the paper. The division 669 shall by rule establish voting procedures consistent with this 670 sub-subparagraph, including rules establishing procedures for 671 giving notice by electronic transmission and rules providing for 672 the secrecy of ballots. Elections shall be decided by a 673 plurality of ballots cast. There is no quorum requirement; 674 however, at least 20 percent of the eligible voters must cast a 675 ballot in order to have a valid election. A unit owner may not

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676 authorize any other person to vote his or her ballot, and any 677 ballots improperly cast are invalid. A unit owner who violates 678 this provision may be fined by the association in accordance with s. 718.303. A unit owner who needs assistance in casting 679 680 the ballot for the reasons stated in s. 101.051 may obtain such 681 assistance. The regular election must occur on the date of the 682 annual meeting. Notwithstanding this sub-subparagraph, an 683 election is not required unless more candidates file notices of 684 intent to run or are nominated than board vacancies exist.

685 b. Within 90 days after being elected or appointed to the 686 board of an association of a residential condominium, each newly 687 elected or appointed director shall certify in writing to the 688 secretary of the association that he or she has read the 689 association's declaration of condominium, articles of 690 incorporation, bylaws, and current written policies; that he or 691 she will work to uphold such documents and policies to the best 692 of his or her ability; and that he or she will faithfully 693 discharge his or her fiduciary responsibility to the 694 association's members. In lieu of this written certification, 695 within 90 days after being elected or appointed to the board, 696 the newly elected or appointed director may submit a certificate 697 of having satisfactorily completed the educational curriculum 698 administered by a division-approved condominium education 699 provider within 1 year before or 90 days after the date of election or appointment. The written certification or 700

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701 educational certificate is valid and does not have to be 702 resubmitted as long as the director serves on the board without 703 interruption. A director of an association of a residential 704 condominium who fails to timely file the written certification 705 or educational certificate is suspended from service on the 706 board until he or she complies with this sub-subparagraph. The 707 board may temporarily fill the vacancy during the period of 708 suspension. The secretary shall cause the association to retain 709 a director's written certification or educational certificate 710 for inspection by the members for 5 years after a director's election or the duration of the director's uninterrupted tenure, 711 712 whichever is longer. Failure to have such written certification 713 or educational certificate on file does not affect the validity 714 of any board action.

715 c. Any challenge to the election process must be commenced716 within 60 days after the election results are announced.

717 Any approval by unit owners called for by this chapter 5. 718 or the applicable declaration or bylaws, including, but not 719 limited to, the approval requirement in s. 718.111(8), must be 720 made at a duly noticed meeting of unit owners and is subject to 721 all requirements of this chapter or the applicable condominium documents relating to unit owner decisionmaking, except that 722 723 unit owners may take action by written agreement, without 724 meetings, on matters for which action by written agreement 725 without meetings is expressly allowed by the applicable bylaws

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726 or declaration or any law that provides for such action.

727 Unit owners may waive notice of specific meetings if 6. 728 allowed by the applicable bylaws or declaration or any law. Notice of meetings of the board of administration, unit owner 729 730 meetings, except unit owner meetings called to recall board 731 members under paragraph (k) (j), and committee meetings may be 732 given by electronic transmission to unit owners who consent to 733 receive notice by electronic transmission. A unit owner who 734 consents to receiving notices by electronic transmission is 735 solely responsible for removing or bypassing filters that block 736 receipt of mass e-mails sent to members on behalf of the 737 association in the course of giving electronic notices.

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

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

9. Unless otherwise provided in the bylaws, any vacancy occurring on the board before the expiration of a term may be filled by the affirmative vote of the majority of the remaining directors, even if the remaining directors constitute less than a quorum, or by the sole remaining director. In the alternative, a board may hold an election to fill the vacancy, in which case

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751 the election procedures must conform to sub-subparagraph 4.a. 752 unless the association governs 10 units or fewer and has opted 753 out of the statutory election process, in which case the bylaws 754 of the association control. Unless otherwise provided in the 755 bylaws, a board member appointed or elected under this section 756 shall fill the vacancy for the unexpired term of the seat being 757 filled. Filling vacancies created by recall is governed by 758 paragraph (k) (j) and rules adopted by the division. 759 10. This chapter does not limit the use of general or

760 limited proxies, require the use of general or limited proxies, 761 or require the use of a written ballot or voting machine for any 762 agenda item or election at any meeting of a timeshare 763 condominium association or nonresidential condominium 764 association.

765

766 Notwithstanding subparagraph (b)2. and sub-subparagraph 4.a., an 767 association of 10 or fewer units may, by affirmative vote of a 768 majority of the total voting interests, provide for different 769 voting and election procedures in its bylaws, which may be by a 770 proxy specifically delineating the different voting and election procedures. The different voting and election procedures may 771 provide for elections to be conducted by limited or general 772 773 proxy.

774

1.

- (f) Annual budget.-
- 775

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The proposed annual budget of estimated revenues and

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776 expenses must be detailed and must show the amounts budgeted by 777 accounts and expense classifications, including, at a minimum, 778 any applicable expenses listed in s. 718.504(21). The board 779 shall adopt the annual budget at least 14 days before prior to 780 the start of the association's fiscal year. In the event that 781 the board fails to timely adopt the annual budget a second time, 782 it is shall be deemed a minor violation and the prior year's 783 budget shall continue in effect until a new budget is adopted. A 784 multicondominium association must shall adopt a separate budget 785 of common expenses for each condominium the association operates 786 and must shall adopt a separate budget of common expenses for 787 the association. In addition, if the association maintains 788 limited common elements with the cost to be shared only by those 789 entitled to use the limited common elements as provided for in 790 s. 718.113(1), the budget or a schedule attached to it must show 791 the amount budgeted for this maintenance. If, after turnover of 792 control of the association to the unit owners, any of the 793 expenses listed in s. 718.504(21) are not applicable, they do 794 need not need to be listed.

795 2.a. In addition to annual operating expenses, the budget 796 must include reserve accounts for capital expenditures and 797 deferred maintenance. These accounts must include, but are not 11 limited to, roof replacement, building painting, and pavement 799 resurfacing, regardless of the amount of deferred maintenance 800 expense or replacement cost, and any other item that has a

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801 deferred maintenance expense or replacement cost that exceeds 802 \$10,000. The amount to be reserved for an item is determined by 803 the association's most recent structural integrity reserve 804 study. If the amount to be reserved for an item is not in the 805 association's most recent structural integrity reserve study or 806 the association has not completed a structural integrity reserve 807 study, the amount must be computed using a formula based upon 808 estimated remaining useful life and estimated replacement cost 809 or deferred maintenance expense of the each reserve item. The 810 association may adjust replacement reserve assessments annually 811 to take into account any changes in estimates or extension of 812 the useful life of a reserve item caused by deferred 813 maintenance. This subsection does not apply to an adopted budget 814 in which The members of a unit-owner controlled an association 815 may determine have determined, by a majority vote at a duly 816 called meeting of the association, to provide no reserves or 817 less reserves than required by this subsection. Effective July 818 1, 2024, the members of a unit-owner controlled association may 819 not determine to provide no reserves or less reserves than 820 required by this subsection for items listed in paragraph (g). 821 b. Before turnover of control of an association by a 822 developer to unit owners other than a developer under pursuant 823 to s. 718.301, the developer-controlled association developer 824 may not vote the voting interests allocated to its units to 825 waive the reserves or reduce the funding of the reserves through

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826 the period expiring at the end of the second fiscal year after 827 the fiscal year in which the certificate of a surveyor and 828 mapper is recorded pursuant to s. 718.104(4)(c) or an instrument that transfers title to a unit in the condominium which is not 829 830 accompanied by a recorded assignment of developer rights in 831 favor of the grantee of such unit is recorded, whichever occurs 832 first, after which time reserves may be waived or reduced only upon the vote of a majority of all nondeveloper voting interests 833 834 voting in person or by limited proxy at a duly called meeting of 835 the association. If a meeting of the unit owners has been called 836 to determine whether to waive or reduce the funding of reserves 837 and no such result is achieved or a quorum is not attained, the 838 reserves included in the budget shall go into effect. After the 839 turnover, the developer may vote its voting interest to waive or 840 reduce the funding of reserves.

841 3. Reserve funds and any interest accruing thereon shall 842 remain in the reserve account or accounts, and may be used only 843 for authorized reserve expenditures unless their use for other 844 purposes is approved in advance by a majority vote at a duly 845 called meeting of the association. Before turnover of control of 846 an association by a developer to unit owners other than the 847 developer pursuant to s. 718.301, the developer-controlled 848 association may not vote to use reserves for purposes other than 849 those for which they were intended. Effective July 1, 2024, members of a unit-owner controlled association may not vote to 850

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851 <u>use reserve funds, or any interest accruing thereon, that are</u> 852 <u>reserved for items listed in paragraph (g) for any other purpose</u> 853 <u>other than their intended purpose</u> without the approval of a 854 <u>majority of all nondeveloper voting interests, voting in person</u> 855 <u>or by limited proxy at a duly called meeting of the association</u>.

856 4. The only voting interests that are eligible to vote on 857 questions that involve waiving or reducing the funding of 858 reserves, or using existing reserve funds for purposes other 859 than purposes for which the reserves were intended, are the 860 voting interests of the units subject to assessment to fund the 861 reserves in question. Proxy questions relating to waiving or 862 reducing the funding of reserves or using existing reserve funds 863 for purposes other than purposes for which the reserves were 864 intended must contain the following statement in capitalized, 865 bold letters in a font size larger than any other used on the 866 face of the proxy ballot: WAIVING OF RESERVES, IN WHOLE OR IN 867 PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY 868 RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED 869 SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

870

(g) Structural integrity reserve study.-

871 <u>1. An association must have a structural integrity reserve</u> 872 <u>study completed at least every 10 years after the condominium's</u> 873 <u>creation for each building on the condominium property that is</u> 874 <u>three stories or higher in height which includes, at a minimum,</u> 875 a study of the following items as related to the structural

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| 876 | integrity and safety of the building: |
|-----|------------------------------------------------------------------|
| 877 | a. Roof. |
| 878 | b. Load-bearing walls or other primary structural members. |
| 879 | c. Floor. |
| 880 | d. Foundation. |
| 881 | e. Fireproofing and fire protection systems. |
| 882 | <u>f. Plumbing.</u> |
| 883 | g. Electrical systems. |
| 884 | h. Waterproofing and exterior painting. |
| 885 | i. Windows. |
| 886 | j. Any other item that has a deferred maintenance expense |
| 887 | or replacement cost that exceeds \$10,000 and the failure to |
| 888 | replace or maintain such item negatively affects the items |
| 889 | listed in subparagraphs ai., as determined by the licensed |
| 890 | engineer or architect performing the visual inspection portion |
| 891 | of the structural integrity reserve study. |
| 892 | 2. Before a developer turns over control of an association |
| 893 | to unit owners other than the developer, the developer must have |
| 894 | a structural integrity reserve study completed for each building |
| 895 | on the condominium property that is three stories or higher in |
| 896 | height. |
| 897 | 3. Associations existing on or before July 1, 2022, which |
| 898 | are controlled by unit owners other than the developer, must |
| 899 | have a structural integrity reserve study completed by July 1, |
| 900 | 2024, for each building on the condominium property that is |
| | 5 00 (400 |

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| 901 | three stories or higher in height. |
|-----|-----------------------------------------------------------------------------------|
| 902 | 4. If an association fails to complete a structural |
| 903 | integrity reserve study pursuant to this paragraph, such failure |
| 904 | is a breach of an officer's and director's fiduciary |
| 905 | relationship to the unit owners under s. 718.111(1). |
| 906 | Section 7. Paragraph (f) of subsection (8) of section |
| 907 | 718.116, Florida Statutes, is amended to read: |
| 908 | 718.116 Assessments; liability; lien and priority; |
| 909 | interest; collection |
| 910 | (8) Within 10 business days after receiving a written or |
| 911 | electronic request therefor from a unit owner or the unit |
| 912 | owner's designee, or a unit mortgagee or the unit mortgagee's |
| 913 | designee, the association shall issue the estoppel certificate. |
| 914 | Each association shall designate on its website a person or |
| 915 | entity with a street or e-mail address for receipt of a request |
| 916 | for an estoppel certificate issued pursuant to this section. The |
| 917 | estoppel certificate must be provided by hand delivery, regular |
| 918 | mail, or e-mail to the requestor on the date of issuance of the |
| 919 | estoppel certificate. |
| 920 | (f) Notwithstanding any limitation on transfer fees |
| 921 | contained in <u>s. 718.112(2)(j)</u> s. 718.112(2)(i) , an association |
| 922 | or its authorized agent may charge a reasonable fee for the |
| 923 | preparation and delivery of an estoppel certificate, which may |
| 924 | not exceed \$250, if, on the date the certificate is issued, no |
| 925 | delinquent amounts are owed to the association for the |
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926 applicable unit. If an estoppel certificate is requested on an 927 expedited basis and delivered within 3 business days after the 928 request, the association may charge an additional fee of \$100. 929 If a delinquent amount is owed to the association for the 930 applicable unit, an additional fee for the estoppel certificate 931 may not exceed \$150.

932 Section 8. Paragraph (c) of subsection (2) of section 933 718.117, Florida Statutes, is redesignated as paragraph (d), 934 paragraph (b) of subsection (8) is amended, and a new paragraph 935 (c) is added to subsection (2) of that section, to read:

936

718.117 Termination of condominium.-

937 (2) TERMINATION BECAUSE OF ECONOMIC WASTE OR938 IMPOSSIBILITY.-

939 (c)1. Notwithstanding paragraph (a), a condominium that 940 has a building that has received a phase 2 inspection under s. 941 718.132 with recommended repairs for substantial structural 942 deterioration, as defined in s. 718.132(1), that exceed 65 943 percent of the combined fair market value of the units in the 944 condominium after completion of the construction or repairs may 945 be terminated pursuant to a plan of termination approved by a majority of the total voting interests of the condominium. Such 946 947 termination must be approved at a properly called meeting of the 948 association with the voting interests voting in person or by 949 limited proxy. A bulk owner has the same number of voting 950 interests as a single unit owner under this paragraph. For

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| 951 | purposes of this paragraph, the term "bulk owner" has the same |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 952 | meaning as in paragraph (3)(c). |
| 953 | 2. Written notice of the meeting must include an agenda |
| 954 | that conspicuously states that a plan of termination of the |
| 955 | condominium will be considered. The written notice must be |
| 956 | mailed, hand delivered, or electronically transmitted to each |
| 957 | unit owner at least 14 days before the meeting and must be |
| 958 | posted in a conspicuous place on the condominium property or the |
| 959 | association property at least 14 continuous days before the |
| 960 | meeting. |
| 961 | 3. The fair market value of the units in the condominium |
| 962 | must be determined by an independent appraiser selected by the |
| 963 | termination trustee no earlier than 90 days before the date on |
| | |
| 964 | which the plan of termination is recorded. |
| 964 965 | (8) REPORTS AND REPLACEMENT OF RECEIVER |
| | |
| 965 | (8) REPORTS AND REPLACEMENT OF RECEIVER |
| 965 966 | (8) REPORTS AND REPLACEMENT OF RECEIVER.—(b) The unit owners of an association in termination may |
| 965 966 967 | (8) REPORTS AND REPLACEMENT OF RECEIVER.— (b) The unit owners of an association in termination may recall or remove members of the board of administration with or |
| 965 966 967 968 | (8) REPORTS AND REPLACEMENT OF RECEIVER.— (b) The unit owners of an association in termination may recall or remove members of the board of administration with or without cause at any time as provided in <u>s. 718.112(2)(k)</u> s. |
| 965 966 967 968 969 | (8) REPORTS AND REPLACEMENT OF RECEIVER.— (b) The unit owners of an association in termination may recall or remove members of the board of administration with or without cause at any time as provided in <u>s. 718.112(2)(k)</u> s. 718.112(2)(j). |
| 965 966 967 968 969 970 | (8) REPORTS AND REPLACEMENT OF RECEIVER.— (b) The unit owners of an association in termination may recall or remove members of the board of administration with or without cause at any time as provided in <u>s. 718.112(2)(k)</u> s. 718.112(2)(j) . Section 9. Section 718.132, Florida Statutes, is created |
| 965 966 967 968 969 970 971 | <pre>(8) REPORTS AND REPLACEMENT OF RECEIVER (b) The unit owners of an association in termination may recall or remove members of the board of administration with or without cause at any time as provided in <u>s. 718.112(2)(k)</u> s. 718.112(2)(j). Section 9. Section 718.132, Florida Statutes, is created to read:</pre> |
| 965 966 967 968 969 970 971 972 | <pre>(8) REPORTS AND REPLACEMENT OF RECEIVER (b) The unit owners of an association in termination may recall or remove members of the board of administration with or without cause at any time as provided in <u>s. 718.112(2)(k)</u> s. 718.112(2)(j). Section 9. Section 718.132, Florida Statutes, is created to read: <u>718.132 Building recertification</u></pre> |
| 965 966 967 968 969 970 971 972 973 | <pre>(8) REPORTS AND REPLACEMENT OF RECEIVER (b) The unit owners of an association in termination may recall or remove members of the board of administration with or without cause at any time as provided in <u>s. 718.112(2)(k)</u> s. 718.112(2)(j). Section 9. Section 718.132, Florida Statutes, is created to read: <u>718.132 Building recertification (1) As used in this section, the term:</u></pre> |

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| 976 | (b) "Phase 2 inspection" means an inspection that includes |
|------|------------------------------------------------------------------|
| 977 | destructive and nondestructive testing at the discretion of the |
| 978 | person performing the inspection and a written report of such |
| 979 | inspection. A phase 2 inspection must be performed by an |
| 980 | engineer licensed under chapter 471 or an architect licensed |
| 981 | under chapter 481. |
| 982 | (c) "Recertification" or "recertify" means a visual |
| 983 | inspection of a building's general structural condition and the |
| 984 | general condition of its electrical system, including a written |
| 985 | report of such inspection, performed by an engineer licensed |
| 986 | under chapter 471 or an architect licensed under chapter 481. |
| 987 | (d) "Substantial structural deterioration" means |
| 988 | substantial structural distress that negatively affects a |
| 989 | building's general structural condition and integrity. Surface |
| 990 | imperfections such as cracks, distortion, sagging, deflections, |
| 991 | misalignment, signs of leakage, or peeling of finishes are not |
| 992 | considered substantial structural deterioration unless the |
| 993 | licensed engineer or architect performing the recertification or |
| 994 | phase 2 inspection determines that such surface imperfections |
| 995 | are a sign of substantial structural distress. |
| 996 | (e) "Visual inspection" means a visual examination of the |
| 997 | items listed in s. 718.112(2)(g). |
| 998 | (2)(a) An association must have any building on |
| 999 | condominium property that is three stories or higher in height |
| 1000 | and that has been occupied for at least 30 years, or 25 years if |
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| 1001 | the building is within 3 miles of the coastline of the state, |
|------|------------------------------------------------------------------|
| 1002 | recertified as determined by the local building official. |
| 1003 | (b) An association must have any building on condominium |
| 1004 | property that is required to be recertified under paragraph (a) |
| 1005 | recertified at least every 10 years after its first |
| 1006 | recertification. |
| 1007 | (3) Upon determining that a building on condominium |
| 1008 | property must be recertified, the local building official must |
| 1009 | provide written notice of such required recertification to the |
| 1010 | association by certified mail, return receipt requested. |
| 1011 | (4)(a) Within 90 days after receiving the written notice |
| 1012 | under subsection (3), or within 180 days if the association |
| 1013 | receives the written notice before July 1, 2023, the association |
| 1014 | or the association's manager must provide the written |
| 1015 | recertification report by e-mail, United States Postal Service, |
| 1016 | or commercial delivery service to the local building official |
| 1017 | and state the date on which the association received such report |
| 1018 | from the licensed engineer or architect who performed the |
| 1019 | recertification. |
| 1020 | (b) Within 14 days after receiving the written |
| 1021 | recertification report from the licensed engineer or architect |
| 1022 | who performed the recertification, the association must provide |
| 1023 | the written recertification report by e-mail, United States |
| 1024 | Postal Service, or commercial delivery service to each unit |
| 1025 | owner. |
| | |

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| 1026 | (5) Upon completing a recertification, the licensed |
|------|------------------------------------------------------------------|
| 1027 | engineer or architect who performed the recertification must |
| 1028 | provide a written recertification report by e-mail, United |
| 1029 | States Postal Service, or commercial delivery service to the |
| 1030 | association. The written recertification report must, at a |
| 1031 | minimum: |
| 1032 | (a) Bear the seal and signature, or the electronic |
| 1033 | signature, of the licensed engineer or architect who performed |
| 1034 | the inspection. |
| 1035 | (b) Indicate the manner and type of inspection forming the |
| 1036 | basis for the written recertification report and a description |
| 1037 | of any items identified as requiring further inspection or |
| 1038 | remedial action. |
| 1039 | (c) Indicate whether there is damage to the items listed |
| 1040 | in s. 718.112(2)(g), within a reasonable professional |
| 1041 | probability based on the scope of the inspection, and list any |
| 1042 | recommended repairs for such damage. |
| 1043 | (d) Indicate whether there is substantial structural |
| 1044 | deterioration within a reasonable professional probability based |
| 1045 | on the scope of the inspection. |
| 1046 | (e) State whether unsafe or dangerous conditions, as those |
| 1047 | terms are defined in the Florida Building Code, were observed. |
| 1048 | (6)(a) If a written recertification report indicates that |
| 1049 | there is substantial structural deterioration within a |
| 1050 | reasonable professional probability based on the scope of the |
| | |

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1051 inspection, the local building official must provide written 1052 notice to the association by certified mail, return receipt 1053 requested, that the association must have a phase 2 inspection 1054 performed. 1055 (b) Within 60 days after receiving the written notice 1056 under paragraph (a), the association must provide written notice 1057 to the local building official by e-mail, United States Postal 1058 Service, or commercial delivery service that includes the start 1059 date of the phase 2 inspection and the name and contact 1060 information of the licensed engineer or architect who will 1061 perform the phase 2 inspection. 1062 (c) The written phase 2 inspection report must, at a 1063 minimum: 1064 1. Bear the seal and signature, or the electronic 1065 signature, of the licensed engineer or architect who performed 1066 the inspection. 1067 2. Indicate the manner and type of inspection forming the basis for the written report. 1068 1069 3. State whether there is substantial structural 1070 deterioration, within a reasonable professional probability based on the scope of the inspection, and the extent of such 1071 1072 deterioration and list any recommended repairs for such 1073 deterioration. 1074 4. State whether unsafe or dangerous conditions, as those terms are defined in the Florida Building Code, were observed. 1075

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| 1076 | (d) The licensed engineer or architect performing the |
|------|------------------------------------------------------------------|
| 1077 | phase 2 inspection must provide the written phase 2 inspection |
| 1078 | report by e-mail, United States Postal Service, or commercial |
| 1079 | delivery service to the local building official and the |
| 1080 | association upon completion. |
| 1081 | (e) Within 14 days after receiving the written phase 2 |
| 1082 | inspection report from the licensed engineer or architect who |
| 1083 | performed the phase 2 inspection, the association must provide |
| 1084 | the written phase 2 inspection report by e-mail, United States |
| 1085 | Postal Service, or commercial delivery service to each unit |
| 1086 | owner. |
| 1087 | (7)(a) A local building official may prescribe penalties, |
| 1088 | which must be posted on the building department's website, for |
| 1089 | failure to comply with this section. |
| 1090 | (b) If an association fails to schedule or begin repairs |
| 1091 | that are identified in the written phase 2 inspection report |
| 1092 | within a time period to be determined by the county |
| 1093 | commissioners of the county where the building is located, which |
| 1094 | time period may not exceed 365 days after the local building |
| 1095 | official receives the written phase 2 inspection report, the |
| 1096 | local building official must determine that the building is |
| 1097 | unsafe for human occupancy until such repairs are scheduled or |
| 1098 | begin. |
| 1099 | (8) If an association fails to complete a recertification |
| 1100 | or phase 2 inspection pursuant to this section, such failure is |
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| 1101 | a breach of an officer's and director's fiduciary relationship |
|------|------------------------------------------------------------------|
| 1102 | to the unit owners under s. 718.111(1). |
| 1103 | Section 10. Paragraphs (r), (s), and (t) are added to |
| 1104 | subsection (4) of section 718.301, Florida Statutes, to read: |
| 1105 | 718.301 Transfer of association control; claims of defect |
| 1106 | by association |
| 1107 | (4) At the time that unit owners other than the developer |
| 1108 | elect a majority of the members of the board of administration |
| 1109 | of an association, the developer shall relinquish control of the |
| 1110 | association, and the unit owners shall accept control. |
| 1111 | Simultaneously, or for the purposes of paragraph (c) not more |
| 1112 | than 90 days thereafter, the developer shall deliver to the |
| 1113 | association, at the developer's expense, all property of the |
| 1114 | unit owners and of the association which is held or controlled |
| 1115 | by the developer, including, but not limited to, the following |
| 1116 | items, if applicable, as to each condominium operated by the |
| 1117 | association: |
| 1118 | (r) A copy of the association's most recent structural |
| 1119 | integrity reserve study. |
| 1120 | (s) If a building on the condominium property must be |
| 1121 | recertified under s. 718.132, a copy of the association's most |
| 1122 | recent written recertification report. |
| 1123 | (t) If a building on the condominium property must have a |
| 1124 | phase 2 inspection performed under s. 718.132, a copy of the |
| 1125 | association's most recent written phase 2 inspection report. |
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1126 Section 11. Subsection (1) of section 718.501, Florida 1127 Statutes, is amended, and subsection (3) is added to that 1128 section, to read: 1129 718.501 Authority, responsibility, and duties of Division of Florida Condominiums, Timeshares, and Mobile Homes.-1130 1131 (1)The division may enforce and ensure compliance with 1132 this chapter and rules relating to the development, 1133 construction, sale, lease, ownership, operation, and management 1134 of residential condominium units. In performing its duties, the division has complete jurisdiction to investigate complaints and 1135 1136 enforce compliance with respect to associations that are still 1137 under developer control or the control of a bulk assignee or 1138 bulk buyer pursuant to part VII of this chapter and complaints against developers, bulk assignees, or bulk buyers involving 1139 1140 improper turnover or failure to turnover, pursuant to s. 1141 718.301. However, after turnover has occurred, the division has 1142 jurisdiction to investigate complaints related only to financial 1143 issues, elections, and the maintenance of and unit owner access 1144 to association records under s. 718.111(12), and the procedural 1145 completion of structural integrity reserve studies under s. 1146 718.112(2)(g) and recertifications and phase 2 inspections under 1147 s. 718.132. 1148 The division may make necessary public or private (a)1. 1149 investigations within or outside this state to determine whether any person has violated this chapter or any rule or order

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1151 hereunder, to aid in the enforcement of this chapter, or to aid 1152 in the adoption of rules or forms.

1153 2. The division may submit any official written report, 1154 worksheet, or other related paper, or a duly certified copy thereof, compiled, prepared, drafted, or otherwise made by and 1155 duly authenticated by a financial examiner or analyst to be 1156 1157 admitted as competent evidence in any hearing in which the 1158 financial examiner or analyst is available for cross-examination 1159 and attests under oath that such documents were prepared as a result of an examination or inspection conducted pursuant to 1160 1161 this chapter.

(b) The division may require or permit any person to file a statement in writing, under oath or otherwise, as the division determines, as to the facts and circumstances concerning a matter to be investigated.

1166 For the purpose of any investigation under this (C) chapter, the division director or any officer or employee 1167 1168 designated by the division director may administer oaths or 1169 affirmations, subpoena witnesses and compel their attendance, 1170 take evidence, and require the production of any matter which is relevant to the investigation, including the existence, 1171 description, nature, custody, condition, and location of any 1172 1173 books, documents, or other tangible things and the identity and 1174 location of persons having knowledge of relevant facts or any other matter reasonably calculated to lead to the discovery of 1175

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1176 material evidence. Upon the failure by a person to obey a 1177 subpoena or to answer questions propounded by the investigating 1178 officer and upon reasonable notice to all affected persons, the 1179 division may apply to the circuit court for an order compelling 1180 compliance.

Notwithstanding any remedies available to unit owners 1181 (d) 1182 and associations, if the division has reasonable cause to 1183 believe that a violation of any provision of this chapter or 1184 related rule has occurred, the division may institute enforcement proceedings in its own name against any developer, 1185 1186 bulk assignee, bulk buyer, association, officer, or member of 1187 the board of administration, or its assignees or agents, as 1188 follows:

1189 1. The division may permit a person whose conduct or 1190 actions may be under investigation to waive formal proceedings 1191 and enter into a consent proceeding whereby orders, rules, or 1192 letters of censure or warning, whether formal or informal, may 1193 be entered against the person.

2. The division may issue an order requiring the developer, bulk assignee, bulk buyer, association, developerdesignated officer, or developer-designated member of the board of administration, developer-designated assignees or agents, bulk assignee-designated assignees or agents, bulk buyerdesignated assignees or agents, community association manager, or community association management firm to cease and desist

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1201 from the unlawful practice and take such affirmative action as 1202 in the judgment of the division carry out the purposes of this 1203 chapter. If the division finds that a developer, bulk assignee, bulk buyer, association, officer, or member of the board of 1204 1205 administration, or its assignees or agents, is violating or is 1206 about to violate any provision of this chapter, any rule adopted 1207 or order issued by the division, or any written agreement entered into with the division, and presents an immediate danger 1208 1209 to the public requiring an immediate final order, it may issue an emergency cease and desist order reciting with particularity 1210 1211 the facts underlying such findings. The emergency cease and desist order is effective for 90 days. If the division begins 1212 1213 nonemergency cease and desist proceedings, the emergency cease 1214 and desist order remains effective until the conclusion of the proceedings under ss. 120.569 and 120.57. 1215

1216 3. If a developer, bulk assignee, or bulk buyer fails to pay any restitution determined by the division to be owed, plus 1217 1218 any accrued interest at the highest rate permitted by law, 1219 within 30 days after expiration of any appellate time period of 1220 a final order requiring payment of restitution or the conclusion 1221 of any appeal thereof, whichever is later, the division must 1222 bring an action in circuit or county court on behalf of any association, class of unit owners, lessees, or purchasers for 1223 restitution, declaratory relief, injunctive relief, or any other 1224 available remedy. The division may also temporarily revoke its 1225

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1226 acceptance of the filing for the developer to which the 1227 restitution relates until payment of restitution is made.

1228 The division may petition the court for appointment of 4. 1229 a receiver or conservator. If appointed, the receiver or conservator may take action to implement the court order to 1230 1231 ensure the performance of the order and to remedy any breach 1232 thereof. In addition to all other means provided by law for the 1233 enforcement of an injunction or temporary restraining order, the 1234 circuit court may impound or sequester the property of a party 1235 defendant, including books, papers, documents, and related 1236 records, and allow the examination and use of the property by 1237 the division and a court-appointed receiver or conservator.

1238 5. The division may apply to the circuit court for an 1239 order of restitution whereby the defendant in an action brought 1240 under subparagraph 4. is ordered to make restitution of those 1241 sums shown by the division to have been obtained by the 1242 defendant in violation of this chapter. At the option of the 1243 court, such restitution is payable to the conservator or 1244 receiver appointed under subparagraph 4. or directly to the 1245 persons whose funds or assets were obtained in violation of this 1246 chapter.

6. The division may impose a civil penalty against a developer, bulk assignee, or bulk buyer, or association, or its assignee or agent, for any violation of this chapter or related rule. The division may impose a civil penalty individually

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1251 against an officer or board member who willfully and knowingly 1252 violates this chapter, an adopted rule, or a final order of the 1253 division; may order the removal of such individual as an officer 1254 or from the board of administration or as an officer of the 1255 association; and may prohibit such individual from serving as an 1256 officer or on the board of a community association for a period 1257 of time. The term "willfully and knowingly" means that the 1258 division informed the officer or board member that his or her 1259 action or intended action violates this chapter, a rule adopted 1260 under this chapter, or a final order of the division and that 1261 the officer or board member refused to comply with the requirements of this chapter, a rule adopted under this chapter, 1262 or a final order of the division. The division, before 1263 1264 initiating formal agency action under chapter 120, must afford 1265 the officer or board member an opportunity to voluntarily 1266 comply, and an officer or board member who complies within 10 1267 days is not subject to a civil penalty. A penalty may be imposed 1268 on the basis of each day of continuing violation, but the 1269 penalty for any offense may not exceed \$5,000. The division 1270 shall adopt, by rule, penalty guidelines applicable to possible 1271 violations or to categories of violations of this chapter or 1272 rules adopted by the division. The guidelines must specify a 1273 meaningful range of civil penalties for each such violation of 1274 the statute and rules and must be based upon the harm caused by the violation, the repetition of the violation, and upon such 1275

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1276 other factors deemed relevant by the division. For example, the 1277 division may consider whether the violations were committed by a 1278 developer, bulk assignee, or bulk buyer, or owner-controlled 1279 association, the size of the association, and other factors. The 1280 quidelines must designate the possible mitigating or aggravating 1281 circumstances that justify a departure from the range of 1282 penalties provided by the rules. It is the legislative intent 1283 that minor violations be distinguished from those which endanger 1284 the health, safety, or welfare of the condominium residents or 1285 other persons and that such guidelines provide reasonable and meaningful notice to the public of likely penalties that may be 1286 1287 imposed for proscribed conduct. This subsection does not limit 1288 the ability of the division to informally dispose of 1289 administrative actions or complaints by stipulation, agreed 1290 settlement, or consent order. All amounts collected shall be 1291 deposited with the Chief Financial Officer to the credit of the 1292 Division of Florida Condominiums, Timeshares, and Mobile Homes 1293 Trust Fund. If a developer, bulk assignee, or bulk buyer fails 1294 to pay the civil penalty and the amount deemed to be owed to the 1295 association, the division shall issue an order directing that 1296 such developer, bulk assignee, or bulk buyer cease and desist 1297 from further operation until such time as the civil penalty is 1298 paid or may pursue enforcement of the penalty in a court of 1299 competent jurisdiction. If an association fails to pay the civil penalty, the division shall pursue enforcement in a court of 1300

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1301 competent jurisdiction, and the order imposing the civil penalty 1302 or the cease and desist order is not effective until 20 days 1303 after the date of such order. Any action commenced by the 1304 division shall be brought in the county in which the division 1305 has its executive offices or in the county where the violation 1306 occurred.

1307 7. If a unit owner presents the division with proof that 1308 the unit owner has requested access to official records in 1309 writing by certified mail, and that after 10 days the unit owner again made the same request for access to official records in 1310 1311 writing by certified mail, and that more than 10 days has elapsed since the second request and the association has still 1312 1313 failed or refused to provide access to official records as 1314 required by this chapter, the division shall issue a subpoena 1315 requiring production of the requested records where the records 1316 are kept pursuant to s. 718.112.

In addition to subparagraph 6., the division may seek 1317 8. 1318 the imposition of a civil penalty through the circuit court for 1319 any violation for which the division may issue a notice to show 1320 cause under paragraph (r). The civil penalty shall be at least 1321 \$500 but no more than \$5,000 for each violation. The court may 1322 also award to the prevailing party court costs and reasonable 1323 attorney fees and, if the division prevails, may also award reasonable costs of investigation. 1324

1325

(e) The division may prepare and disseminate a prospectus

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and other information to assist prospective owners, purchasers, lessees, and developers of residential condominiums in assessing the rights, privileges, and duties pertaining thereto.

(f) The division may adopt rules to administer and enforcethis chapter.

(g) The division shall establish procedures for providing notice to an association and the developer, bulk assignee, or bulk buyer during the period in which the developer, bulk assignee, or bulk buyer controls the association if the division is considering the issuance of a declaratory statement with respect to the declaration of condominium or any related document governing such condominium community.

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

(i) The division shall annually provide each association
with a summary of declaratory statements and formal legal
opinions relating to the operations of condominiums which were
rendered by the division during the previous year.

(j) The division shall provide training and educational programs for condominium association board members and unit owners. The training may, in the division's discretion, include web-based electronic media, and live training and seminars in various locations throughout the state. The division may review and approve education and training programs for board members

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1351 and unit owners offered by providers and shall maintain a 1352 current list of approved programs and providers and make such 1353 list available to board members and unit owners in a reasonable 1354 and cost-effective manner.

1355 (k) The division shall maintain a toll-free telephone1356 number accessible to condominium unit owners.

1357 (1)The division shall develop a program to certify both 1358 volunteer and paid mediators to provide mediation of condominium 1359 disputes. The division shall provide, upon request, a list of 1360 such mediators to any association, unit owner, or other 1361 participant in alternative dispute resolution proceedings under 1362 s. 718.1255 requesting a copy of the list. The division shall 1363 include on the list of volunteer mediators only the names of 1364 persons who have received at least 20 hours of training in 1365 mediation techniques or who have mediated at least 20 disputes. 1366 In order to become initially certified by the division, paid 1367 mediators must be certified by the Supreme Court to mediate 1368 court cases in county or circuit courts. However, the division 1369 may adopt, by rule, additional factors for the certification of 1370 paid mediators, which must be related to experience, education, 1371 or background. Any person initially certified as a paid mediator 1372 by the division must, in order to continue to be certified, 1373 comply with the factors or requirements adopted by rule.

(m) If a complaint is made, the division must conduct itsinquiry with due regard for the interests of the affected

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1376 parties. Within 30 days after receipt of a complaint, the 1377 division shall acknowledge the complaint in writing and notify 1378 the complainant whether the complaint is within the jurisdiction of the division and whether additional information is needed by 1379 1380 the division from the complainant. The division shall conduct 1381 its investigation and, within 90 days after receipt of the 1382 original complaint or of timely requested additional 1383 information, take action upon the complaint. However, the 1384 failure to complete the investigation within 90 days does not 1385 prevent the division from continuing the investigation, 1386 accepting or considering evidence obtained or received after 90 1387 days, or taking administrative action if reasonable cause exists 1388 to believe that a violation of this chapter or a rule has 1389 occurred. If an investigation is not completed within the time 1390 limits established in this paragraph, the division shall, on a 1391 monthly basis, notify the complainant in writing of the status 1392 of the investigation. When reporting its action to the 1393 complainant, the division shall inform the complainant of any 1394 right to a hearing under ss. 120.569 and 120.57. The division 1395 may adopt rules regarding the submission of a complaint against 1396 an association.

(n) Condominium association directors, officers, and employees; condominium developers; bulk assignees, bulk buyers, and community association managers; and community association management firms have an ongoing duty to reasonably cooperate

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1401 with the division in any investigation under this section. The 1402 division shall refer to local law enforcement authorities any 1403 person whom the division believes has altered, destroyed, 1404 concealed, or removed any record, document, or thing required to 1405 be kept or maintained by this chapter with the purpose to impair 1406 its verity or availability in the department's investigation.

1407

(o) The division may:

14081. Contract with agencies in this state or other1409jurisdictions to perform investigative functions; or

1410

2. Accept grants-in-aid from any source.

(p) The division shall cooperate with similar agencies in other jurisdictions to establish uniform filing procedures and forms, public offering statements, advertising standards, and rules and common administrative practices.

(q) The division shall consider notice to a developer, bulk assignee, or bulk buyer to be complete when it is delivered to the address of the developer, bulk assignee, or bulk buyer currently on file with the division.

(r) In addition to its enforcement authority, the division may issue a notice to show cause, which must provide for a hearing, upon written request, in accordance with chapter 120.

(s) The division shall submit to the Governor, the
President of the Senate, the Speaker of the House of
Representatives, and the chairs of the legislative
appropriations committees an annual report that includes, but

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1426 need not be limited to, the number of training programs provided 1427 for condominium association board members and unit owners, the 1428 number of complaints received by type, the number and percent of 1429 complaints acknowledged in writing within 30 days and the number 1430 and percent of investigations acted upon within 90 days in 1431 accordance with paragraph (m), and the number of investigations 1432 exceeding the 90-day requirement. The annual report must also 1433 include an evaluation of the division's core business processes 1434 and make recommendations for improvements, including statutory 1435 changes. The report shall be submitted by September 30 following 1436 the end of the fiscal year.

1437 (3) (a) On or before January 1, 2023, condominium 1438 associations existing on or before July 1, 2022, must provide 1439 the following information to the division in writing, by e-mail, 1440 United States Postal Service, commercial delivery service, or 1441 hand delivery, at a physical address or e-mail address provided 1442 by the division and on a form posted on the division's website: 1443 The number of buildings on the condominium property 1. 1444 that are three stories or higher in height. 1445 2. The total number of units in all such buildings. 1446 3. The addresses of all such buildings. 1447 4. The counties in which all such buildings are located. 1448 (b) The division must compile a list of the number of 1449 buildings on condominium property that are three stories or higher in height, which is searchable by county, and must post 1450

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| 1451 | the list on the division's website. This list must include all |
|------|----------------------------------------------------------------------------|
| 1452 | of the following information: |
| 1453 | 1. The name of each association with buildings on the |
| 1454 | condominium property that are three stories or higher in height. |
| 1455 | 2. The number of such buildings on each association's |
| 1456 | property. |
| 1457 | 3. The addresses of all such buildings. |
| 1458 | 4. The counties in which all such buildings are located. |
| 1459 | (c) An association must provide an update in writing to |
| 1460 | the division if there are any changes to the information in the |
| 1461 | list under paragraph (b) within 6 months after the change. |
| 1462 | Section 12. Paragraphs (b) and (c) of subsection (2) of |
| 1463 | section 718.503, Florida Statutes, are redesignated as |
| 1464 | paragraphs (c) and (d), respectively, and paragraph (b) of |
| 1465 | subsection (1) and paragraph (a) of subsection (2) are amended |
| 1466 | to read: |
| 1467 | 718.503 Developer disclosure <u>before</u> prior to sale; |
| 1468 | nondeveloper unit owner disclosure <u>before</u> prior to sale; |
| 1469 | voidability |
| 1470 | (1) DEVELOPER DISCLOSURE |
| 1471 | (b) Copies of documents to be furnished to prospective |
| 1472 | buyer or lessee.—Until such time as the developer has furnished |
| 1473 | the documents listed below to a person who has entered into a |
| 1474 | contract to purchase a residential unit or lease it for more |
| 1475 | than 5 years, the contract may be voided by that person, |
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1476 entitling the person to a refund of any deposit together with 1477 interest thereon as provided in s. 718.202. The contract may be 1478 terminated by written notice from the proposed buyer or lessee 1479 delivered to the developer within 15 days after the buyer or 1480 lessee receives all of the documents required by this section. 1481 The developer may not close for 15 days after following the 1482 execution of the agreement and delivery of the documents to the 1483 buyer as evidenced by a signed receipt for documents unless the 1484 buyer is informed in the 15-day voidability period and agrees to 1485 close before prior to the expiration of the 15 days. The 1486 developer shall retain in his or her records a separate 1487 agreement signed by the buyer as proof of the buyer's agreement 1488 to close before prior to the expiration of the said voidability 1489 period. Such Said proof must shall be retained for a period of 5 1490 years after the date of the closing of the transaction. The 1491 documents to be delivered to the prospective buyer are the 1492 prospectus or disclosure statement with all exhibits, if the 1493 development is subject to the provisions of s. 718.504, or, if 1494 not, then copies of the following which are applicable:

1495 1. The question and answer sheet described in s. 718.504, 1496 and declaration of condominium, or the proposed declaration if 1497 the declaration has not been recorded, which shall include the 1498 certificate of a surveyor approximately representing the 1499 locations required by s. 718.104.

1500

2. The documents creating the association.

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1501

The bylaws. 3.

1502 The ground lease or other underlying lease of the 4. condominium.

5. The management contract, maintenance contract, and other contracts for management of the association and operation of the condominium and facilities used by the unit owners having a service term in excess of 1 year, and any management contracts that are renewable.

6. The estimated operating budget for the condominium and a schedule of expenses for each type of unit, including fees assessed under pursuant to s. 718.113(1) for the maintenance of limited common elements where such costs are shared only by those entitled to use the limited common elements.

The lease of recreational and other facilities that 7. will be used only by unit owners of the subject condominium.

8. The lease of recreational and other common facilities that will be used by unit owners in common with unit owners of other condominiums.

9. The form of unit lease if the offer is of a leasehold.

1520 Any declaration of servitude of properties serving the 10. 1521 condominium but not owned by unit owners or leased to them or the association. 1522

1523 If the development is to be built in phases or if the 11. 1524 association is to manage more than one condominium, a description of the plan of phase development or the arrangements 1525

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1526 for the association to manage two or more condominiums. 1527 12. If the condominium is a conversion of existing 1528 improvements, the statements and disclosure required by s. 718.616. 1529 1530 The form of agreement for sale or lease of units. 13. 1531 A copy of the floor plan of the unit and the plot plan 14. 1532 showing the location of the residential buildings and the 1533 recreation and other common areas. 1534 15. A copy of all covenants and restrictions that which 1535 will affect the use of the property and which are not contained 1536 in the foregoing. 1537 16. If the developer is required by state or local 1538 authorities to obtain acceptance or approval of any dock or 1539 marina facilities intended to serve the condominium, a copy of 1540 any such acceptance or approval acquired by the time of filing 1541 with the division under s. 718.502(1), or a statement that such 1542 acceptance or approval has not been acquired or received. 1543 17. Evidence demonstrating that the developer has an 1544 ownership, leasehold, or contractual interest in the land upon 1545 which the condominium is to be developed. 1546 18. A copy of the association's most recent structural 1547 integrity reserve study or a statement that the association has 1548 not completed a structural integrity reserve study. 1549 19. If the unit is located in a building on the condominium property that must be recertified under s. 718.132, 1550

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| 1551 | a copy of the association's most recent written recertification |
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| 1552 | report or a statement that the association has not completed the |
| 1553 | required recertification. |
| 1554 | 20. If the unit is located in a building on the |
| 1555 | condominium property that must have a phase 2 inspection |
| 1556 | performed under s. 718.132, a copy of the association's most |
| 1557 | recent written phase 2 inspection report or a statement that the |
| 1558 | association has not completed the required phase 2 inspection. |
| 1559 | (2) NONDEVELOPER DISCLOSURE |
| 1560 | (a) Each unit owner who is not a developer as defined by |
| 1561 | this chapter <u>must</u> shall comply with the provisions of this |
| 1562 | subsection <u>before</u> prior to the sale of his or her unit. Each |
| 1563 | prospective purchaser who has entered into a contract for the |
| 1564 | purchase of a condominium unit is entitled, at the seller's |
| 1565 | expense, to a current copy of <u>all of the following:</u> |
| 1566 | <u>1.</u> The declaration of condominium. $_{	au}$ |
| 1567 | 2. Articles of incorporation of the association. $	au$ |
| 1568 | 3. Bylaws and rules of the association $\underline{\cdot \tau}$ |
| 1569 | <u>4.</u> Financial information required by s. 718.111. τ |
| 1570 | 5. The association's most recent structural integrity |
| 1571 | reserve study or a statement that the association has not |
| 1572 | completed a structural integrity reserve study. |
| 1573 | 6. If the unit is located in a building on the condominium |
| 1574 | property that must be recertified under s. 718.132, the |
| 1575 | association's most recent written recertification report or a |
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| 1576 | statement that the association has not completed the required |
|------|-----------------------------------------------------------------------------------------------|
| 1577 | recertification. |
| 1578 | 7. If the unit is located in a building on the condominium |
| 1579 | property that must have a phase 2 inspection performed under s. |
| 1580 | 718.132, the association's most recent written phase 2 |
| 1581 | inspection report or a statement that the association has not |
| 1582 | completed the required phase 2 inspection. and |
| 1583 | 8. The document entitled "Frequently Asked Questions and |
| 1584 | Answers" required by s. 718.504. |
| 1585 | (b) On and after January 1, 2009, The prospective |
| 1586 | purchaser <u>is</u> shall also be entitled to receive from the seller a |
| 1587 | copy of a governance form. Such form shall be provided by the |
| 1588 | division summarizing governance of condominium associations. In |
| 1589 | addition to such other information as the division considers |
| 1590 | helpful to a prospective purchaser in understanding association |
| 1591 | governance, the governance form shall address the following |
| 1592 | subjects: |
| 1593 | 1. The role of the board in conducting the day-to-day |
| 1594 | affairs of the association on behalf of, and in the best |
| 1595 | interests of, the owners. |
| 1596 | 2. The board's responsibility to provide advance notice of |
| 1597 | board and membership meetings. |
| 1598 | 3. The rights of owners to attend and speak at board and |
| 1599 | membership meetings. |
| 1600 | 4. The responsibility of the board and of owners with |
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1601 respect to maintenance of the condominium property.

1602 5. The responsibility of the board and owners to abide by 1603 the condominium documents, this chapter, rules adopted by the 1604 division, and reasonable rules adopted by the board.

1605 6. Owners' rights to inspect and copy association records 1606 and the limitations on such rights.

1607 7. Remedies available to owners with respect to actions by 1608 the board which may be abusive or beyond the board's power and 1609 authority.

1610 8. The right of the board to hire a property management 1611 firm, subject to its own primary responsibility for such 1612 management.

9. The responsibility of owners with regard to payment of regular or special assessments necessary for the operation of the property and the potential consequences of failure to pay such assessments.

1617

10. The voting rights of owners.

1618 11. Rights and obligations of the board in enforcement of 1619 rules in the condominium documents and rules adopted by the 1620 board.

1621

1622 The governance form <u>must</u> shall also include the following 1623 statement in conspicuous type: "This publication is intended as 1624 an informal educational overview of condominium governance. In 1625 the event of a conflict, the provisions of chapter 718, Florida

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1626 Statutes, rules adopted by the Division of Florida Condominiums, 1627 Timeshares, and Mobile Homes of the Department of Business and 1628 Professional Regulation, the provisions of the condominium 1629 documents, and reasonable rules adopted by the condominium 1630 association's board of administration prevail over the contents 1631 of this publication."

Section 13. Paragraph (f) of subsection (24) of section 1633 718.504, Florida Statutes, is amended, and paragraphs (q) and 1634 (r) are added to that subsection, to read:

1635 718.504 Prospectus or offering circular.-Every developer 1636 of a residential condominium which contains more than 20 residential units, or which is part of a group of residential 1637 1638 condominiums which will be served by property to be used in common by unit owners of more than 20 residential units, shall 1639 prepare a prospectus or offering circular and file it with the 1640 1641 Division of Florida Condominiums, Timeshares, and Mobile Homes 1642 prior to entering into an enforceable contract of purchase and 1643 sale of any unit or lease of a unit for more than 5 years and 1644 shall furnish a copy of the prospectus or offering circular to 1645 each buyer. In addition to the prospectus or offering circular, 1646 each buyer shall be furnished a separate page entitled 1647 "Frequently Asked Questions and Answers," which shall be in 1648 accordance with a format approved by the division and a copy of 1649 the financial information required by s. 718.111. This page shall, in readable language, inform prospective purchasers 1650

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1651 regarding their voting rights and unit use restrictions, 1652 including restrictions on the leasing of a unit; shall indicate 1653 whether and in what amount the unit owners or the association is 1654 obligated to pay rent or land use fees for recreational or other 1655 commonly used facilities; shall contain a statement identifying that amount of assessment which, pursuant to the budget, would 1656 1657 be levied upon each unit type, exclusive of any special 1658 assessments, and which shall further identify the basis upon 1659 which assessments are levied, whether monthly, quarterly, or 1660 otherwise; shall state and identify any court cases in which the 1661 association is currently a party of record in which the 1662 association may face liability in excess of \$100,000; and which 1663 shall further state whether membership in a recreational 1664 facilities association is mandatory, and if so, shall identify the fees currently charged per unit type. The division shall by 1665 1666 rule require such other disclosure as in its judgment will 1667 assist prospective purchasers. The prospectus or offering 1668 circular may include more than one condominium, although not all 1669 such units are being offered for sale as of the date of the 1670 prospectus or offering circular. The prospectus or offering 1671 circular must contain the following information:

1672 (24) Copies of the following, to the extent they are1673 applicable, shall be included as exhibits:

1674 (f) The estimated operating budget for the condominium, 1675 and the required schedule of unit owners' expenses, and the

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| 1676 | association's most recent structural integrity reserve study or |
|------|-----------------------------------------------------------------|
| 1677 | a statement that the association has not completed a structural |
| 1678 | integrity reserve study. |
| 1679 | (q) If the unit is located in a building on the |
| 1680 | condominium property that must be recertified under s. 718.132, |
| 1681 | the association's most recent written recertification report or |
| 1682 | a statement that the association has not completed the required |
| 1683 | recertification. |
| 1684 | (r) If the unit is located in a building on the |
| 1685 | condominium property that must have a phase 2 inspection |
| 1686 | performed under s. 718.132, the association's most recent |
| 1687 | written phase 2 inspection report or a statement that the |
| 1688 | association has not completed the required phase 2 inspection. |
| 1689 | Section 14. Subsections (21), (22), and (23) and (24) |
| 1690 | through (28) of section 719.103, Florida Statutes, are |
| 1691 | renumbered as subsections (22), (23), and (24) and (26) through |
| 1692 | (30), respectively, and new subsections (21) and (25) are added |
| 1693 | to that section to read: |
| 1694 | 719.103 DefinitionsAs used in this chapter: |
| 1695 | (21) "Primary structural member" has the same meaning as |
| 1696 | in s. 627.706(2). |
| 1697 | (25) "Structural integrity reserve study" means a study of |
| 1698 | the reserve funds required for future major repairs and |
| 1699 | replacement of the common areas based on a visual inspection of |
| 1700 | the common areas. A structural integrity reserve study may be |
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1701 performed by any person qualified to perform such study. 1702 However, the visual inspection portion of the structural 1703 integrity reserve study must be performed by an engineer 1704 licensed under chapter 471 or an architect licensed under 1705 chapter 481. At a minimum, a structural integrity reserve study 1706 must identify the common areas being visually inspected, state 1707 the estimated remaining useful life and the estimated 1708 replacement cost or deferred maintenance expense of the common 1709 areas being visually inspected, and provide a recommended annual reserve amount that achieves the estimated replacement cost or 1710 1711 deferred maintenance expense of each common area being visually inspected by the end of the estimated remaining useful life of 1712 1713 each common area. 1714 Section 15. Subsection (1) of section 719.1035, Florida 1715 Statutes, is amended to read: 1716 719.1035 Creation of cooperatives.-1717 The date when cooperative existence shall commence is (1)1718 upon commencement of corporate existence of the cooperative 1719 association as provided in s. 607.0203. The cooperative 1720 documents must be recorded in the county in which the 1721 cooperative is located before property may be conveyed or 1722 transferred to the cooperative. All persons who have any record 1723 interest in any mortgage encumbering the interest in the land 1724 being submitted to cooperative ownership must either join in the execution of the cooperative documents or execute, with the 1725

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1726 requirements for deed, and record, a consent to the cooperative 1727 documents or an agreement subordinating their mortgage interest 1728 to the cooperative documents. Upon creation of a cooperative, 1729 the developer or association shall file the recording 1730 information with the division within 30 working days on a form 1731 prescribed by the division. If the cooperative is subject to s. 1732 719.132 and has at least one building on the cooperative 1733 property that is three stories or higher in height, the 1734 developer or association must also provide information to the 1735 division indicating the number of buildings described in the 1736 recording information located on the cooperative property that 1737 are three stories or higher in height, the total number of units 1738 in all such buildings, and the addresses of all such buildings 1739 within 30 working days after creation of the cooperative on a 1740 form prescribed by the division. 1741 Section 16. Paragraph (a) of subsection (2) of section 1742 719.104, Florida Statutes, is amended to read: 1743 719.104 Cooperatives; access to units; records; financial 1744 reports; assessments; purchase of leases.-1745 (2)OFFICIAL RECORDS.-1746 (a) From the inception of the association, the association 1747 shall maintain a copy of each of the following, if where 1748 applicable, which shall constitute the official records of the 1749 association: The plans, permits, warranties, and other items 1750 1. Page 70 of 102

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1751

provided by the developer pursuant to s. 719.301(4).

1752 1753 2. A photocopy of the cooperative documents.

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

4. A book or books containing the minutes of all meetings
of the association, of the board of directors, and of the unit
owners.

1757 5. A current roster of all unit owners and their mailing 1758 addresses, unit identifications, voting certifications, and, if 1759 known, telephone numbers. The association shall also maintain 1760 the e-mail addresses and the numbers designated by unit owners 1761 for receiving notice sent by electronic transmission of those 1762 unit owners consenting to receive notice by electronic 1763 transmission. The e-mail addresses and numbers provided by unit 1764 owners to receive notice by electronic transmission shall be 1765 removed from association records when consent to receive notice 1766 by electronic transmission is revoked. However, the association 1767 is not liable for an erroneous disclosure of the e-mail address or the number for receiving electronic transmission of notices. 1768

1769

6. All current insurance policies of the association.

1770 7. A current copy of any management agreement, lease, or 1771 other contract to which the association is a party or under 1772 which the association or the unit owners have an obligation or 1773 responsibility.

1774 8. Bills of sale or transfer for all property owned by the1775 association.

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9. Accounting records for the association and separate accounting records for each unit it operates, according to good accounting practices. The accounting records shall include, but not be limited to:

1780 a. Accurate, itemized, and detailed records of all1781 receipts 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 upon the account, and the balance due.

c. All audits, reviews, accounting statements, <u>structural</u>
<u>integrity reserve studies</u>, and financial reports of the
association. <u>Structural integrity reserve studies must be</u>
<u>maintained for at least 15 years after the study is completed</u>.

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

1794 10. Ballots, sign-in sheets, voting proxies, and all other 1795 papers and electronic records relating to voting by unit owners, 1796 which shall be maintained for <u>a period of</u> 1 year after the date 1797 of the election, vote, or meeting to which the document relates.

1798 11. All rental records where the association is acting as 1799 agent for the rental of units.

1800

12. A copy of the current question and answer sheet as

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1801 described in s. 719.504.

1802 13. All affirmative acknowledgments made pursuant to s.1803 719.108(3)(b)3.

1804 <u>14. All written recertification reports and written phase</u> 1805 <u>2 inspection reports as described in s. 719.132, if applicable,</u> 1806 which must be permanently maintained.

1807 <u>15.14.</u> All other written records of the association not 1808 specifically included in the foregoing which are related to the 1809 operation of the association.

1810 Section 17. Paragraphs (k) through (m) of subsection (1) 1811 of section 719.106, Florida Statutes, are redesignated as 1812 paragraphs (l) through (n), respectively, paragraph (j) of 1813 subsection (1) is amended, and a new paragraph (k) is added to 1814 subsection (1) of that section, to read:

1815

719.106 Bylaws; cooperative ownership.-

1816 (1) MANDATORY PROVISIONS.—The bylaws or other cooperative
1817 documents shall provide for the following, and if they do not,
1818 they shall be deemed to include the following:

1819 (j) Annual budget.-

1820 1. The proposed annual budget of common expenses <u>must</u> 1821 shall be detailed and <u>must</u> shall show the amounts budgeted by 1822 accounts and expense classifications, including, if applicable, 1823 but not limited to, those expenses listed in s. 719.504(20). The 1824 board of administration shall adopt the annual budget at least 1825 14 days before prior to the start of the association's fiscal

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1826 year. In the event that the board fails to timely adopt the 1827 annual budget a second time, it <u>is shall be</u> deemed a minor 1828 violation and the prior year's budget shall continue in effect 1829 until a new budget is adopted.

1830 2. In addition to annual operating expenses, the budget 1831 must shall include reserve accounts for capital expenditures and 1832 deferred maintenance. These accounts must shall include, but not 1833 be limited to, roof replacement, building painting, and pavement 1834 resurfacing, regardless of the amount of deferred maintenance 1835 expense or replacement cost, and for any other items for which 1836 the deferred maintenance expense or replacement cost exceeds 1837 \$10,000. The amount to be reserved for an item is determined by 1838 the association's most recent structural integrity reserve 1839 study. If the amount to be reserved for an item is not in the association's most recent structural integrity reserve study or 1840 1841 the association has not completed a structural integrity reserve 1842 study, the amount must shall be computed by means of a formula 1843 which is based upon estimated remaining useful life and 1844 estimated replacement cost or deferred maintenance expense of 1845 the each reserve item. The association may adjust replacement 1846 reserve assessments annually to take into account any changes in 1847 estimates or extension of the useful life of a reserve item 1848 caused by deferred maintenance. This paragraph shall not apply 1849 to any budget in which The members of a unit-owner controlled an association may determine have, at a duly called meeting of the 1850

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1851 association, determined for a fiscal year to provide no reserves 1852 or reserves less adequate than required by this subsection. 1853 Before turnover of control of an association by a developer to 1854 unit owners other than a developer under s. 719.301, the 1855 developer-controlled association may not vote to waive the reserves or reduce funding of the reserves. Effective July 1, 1856 1857 2024, a unit-owner controlled association may not determine to 1858 provide no reserves or reserves less adequate than required by 1859 this paragraph for items listed in paragraph (k) However, prior 1860 to turnover of control of an association by a developer to unit 1861 owners other than a developer pursuant to s. 719.301, the 1862 developer may vote to waive the reserves or reduce the funding 1863 of reserves for the first 2 years of the operation of the 1864 association after which time reserves may only be waived or 1865 reduced upon the vote of a majority of all nondeveloper voting 1866 interests voting in person or by limited proxy at a duly called 1867 meeting of the association. If a meeting of the unit owners has 1868 been called to determine to provide no reserves, or reserves 1869 less adequate than required, and such result is not attained or 1870 a quorum is not attained, the reserves as included in the budget 1871 shall go into effect.

1872 3. Reserve funds and any interest accruing thereon shall 1873 remain in the reserve account or accounts, and shall be used 1874 only for authorized reserve expenditures unless their use for 1875 other purposes is approved in advance by a vote of the majority

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1876 of the voting interests, voting in person or by limited proxy at 1877 a duly called meeting of the association. Before Prior to 1878 turnover of control of an association by a developer to unit 1879 owners other than the developer under s. 719.301, the developer 1880 may not vote to use reserves for purposes other than that for 1881 which they were intended without the approval of a majority of 1882 all nondeveloper voting interests, voting in person or by 1883 limited proxy at a duly called meeting of the association. 1884 Effective July 1, 2024, members of a unit-owner controlled 1885 association may not vote to use reserve funds, or any interest 1886 accruing thereon, that are reserved for items listed in 1887 paragraph (k) for purposes other than their intended purpose. 1888 (k) Structural integrity reserve study.-1889 1. An association must have a structural integrity reserve study completed at least every 10 years for each building on the 1890 1891 cooperative property that is three stories or higher in height 1892 that includes, at a minimum, a study of the following items as related to the structural integrity and safety of the building: 1893 1894 a. Roof. 1895 Load-bearing walls or other primary structural members. b. 1896 c. Floor. 1897 d. Foundation. e. Fireproofing and fire protection systems. 1898 1899 f. Plumbing. 1900 g. Electrical systems.

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| 1901 | h. Waterproofing and exterior painting. |
|------|------------------------------------------------------------------|
| 1902 | i. Windows. |
| 1903 | j. Any other item that has a deferred maintenance expense |
| 1904 | or replacement cost that exceeds \$10,000 and the failure to |
| 1905 | replace or maintain such item negatively affects the items |
| 1906 | listed in subparagraphs ai., as determined by the licensed |
| 1907 | engineer or architect performing the visual inspection portion |
| 1908 | of the structural integrity reserve study. |
| 1909 | 2. Before a developer turns over control of an association |
| 1910 | to unit owners other than the developer, the developer must have |
| 1911 | a structural integrity reserve study completed for each building |
| 1912 | on the cooperative property that is three stories or higher in |
| 1913 | height. |
| 1914 | 3. Associations existing on or before July 1, 2022, which |
| 1915 | are controlled by unit owners other than the developer, must |
| 1916 | have a structural integrity reserve study completed by July 1, |
| 1917 | 2024, for each building on the cooperative property that is |
| 1918 | three stories or higher in height. |
| 1919 | 4. If an association fails to complete a structural |
| 1920 | integrity reserve study pursuant to this paragraph, such failure |
| 1921 | is a breach of an officer's and director's fiduciary |
| 1922 | relationship to the unit owners under s. 719.104(8). |
| 1923 | Section 18. Section 719.132, Florida Statutes, is created |
| 1924 | to read: |
| 1925 | 719.132 Building recertification |
| I | Page 77 of 102 |

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1926 (1) As used in this section, the term: 1927 "Coastline" has the same meaning as in the Submerged (a) 1928 Lands Act, 43 U.S.C. s. 1301(c). (b) "Phase 2 inspection" means an inspection that includes 1929 1930 destructive and nondestructive testing at the discretion of the 1931 person performing the inspection and a written report of such 1932 inspection. A phase 2 inspection must be performed by an 1933 engineer licensed under chapter 471 or an architect licensed 1934 under chapter 481. 1935 (c) "Recertification" or "recertify" means a visual 1936 inspection of a building's general structural condition and 1937 general condition of its electrical system, including a written report of such inspection, performed by an engineer licensed 1938 1939 under chapter 471 or an architect licensed under chapter 481. 1940 "Substantial structural deterioration" means (d) 1941 substantial structural distress that negatively affects a 1942 building's general structural condition and integrity. Surface 1943 imperfections such as cracks, distortion, sagging, deflections, 1944 misalignment, signs of leakage, or peeling of finishes are not 1945 considered substantial structural deterioration unless the licensed engineer or architect performing the recertification or 1946 phase 2 inspection determines that such surface imperfections 1947 1948 are a sign of substantial structural distress. 1949 (e) "Visual inspection" means a visual examination of the items listed s. 719.106(1)(k). 1950

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1951 (2) (a) An association must have any building on the 1952 cooperative property that is three stories or higher in height 1953 and that has been occupied for at least 30 years, or 25 years if the building is within 3 miles of the coastline of the state, 1954 1955 recertified as determined by the local building official. 1956 (b) An association must have any building on the 1957 cooperative property that is required to be recertified under 1958 paragraph (a) recertified at least every 10 years after its 1959 first recertification. 1960 (3) Upon determining that a building on the cooperative property must be recertified, the local building official must 1961 1962 provide written notice of such required recertification to the 1963 association by certified mail, return receipt requested. 1964 (4) (a) Within 90 days after receiving the written notice 1965 under subsection (3), or within 180 days if the association 1966 receives the written notice before July 1, 2023, the association 1967 or the association's manager must provide the written recertification report by e-mail, United States Postal Service, 1968 1969 or commercial delivery service to the local building official 1970 and state the date on which the association received such report from the licensed engineer or architect who performed the 1971 1972 recertification. 1973 (b) Within 14 days after receiving the written 1974 recertification report from the licensed engineer or architect 1975 who performed the recertification, the association must provide

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| 1976 | the written recertification report by e-mail, United States |
|------|------------------------------------------------------------------|
| 1977 | Postal Service, or commercial delivery service to each unit |
| 1978 | owner. |
| 1979 | (5) Upon completing a recertification, the licensed |
| 1980 | engineer or architect who performed the recertification must |
| 1981 | provide a written recertification report by e-mail, United |
| 1982 | States Postal Service, or commercial delivery service to the |
| 1983 | association. The written recertification report must, at a |
| 1984 | minimum: |
| 1985 | (a) Bear the seal and signature, or the electronic |
| 1986 | signature, of the licensed engineer or architect who performed |
| 1987 | the inspection. |
| 1988 | (b) Indicate the manner and type of inspection forming the |
| 1989 | basis for the written recertification report and a description |
| 1990 | of any items identified as requiring further inspection or |
| 1991 | remedial action. |
| 1992 | (c) Indicate whether there is damage to the items listed |
| 1993 | in s. 719.106(1)(k), within a reasonable professional |
| 1994 | probability based on the scope of the inspection, and list any |
| 1995 | recommended repairs for such damage. |
| 1996 | (d) Indicate whether there is substantial structural |
| 1997 | deterioration within a reasonable professional probability based |
| 1998 | on the scope of the inspection. |
| 1999 | (e) State whether unsafe or dangerous conditions, as those |
| 2000 | terms are defined in the Florida Building Code, were observed. |
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| 2001 | (6)(a) If a written recertification report indicates that |
|------|------------------------------------------------------------------|
| 2002 | there is substantial structural deterioration, within a |
| 2003 | reasonable professional probability based on the scope of the |
| 2004 | inspection, the local building official must provide written |
| 2005 | notice to the association by certified mail, return receipt |
| 2006 | requested, that the association must have a phase 2 inspection |
| 2007 | performed. |
| 2008 | (b) Within 60 days after receiving the written notice |
| 2009 | under paragraph (a), the association must provide written notice |
| 2010 | to the local building official by e-mail, United States Postal |
| 2011 | Service, or commercial delivery service that includes the start |
| 2012 | date of the phase 2 inspection and the name and contact |
| 2013 | information of the licensed engineer or architect who will |
| 2014 | perform the phase 2 inspection. |
| 2015 | (c) The written phase 2 inspection report must, at a |
| 2016 | minimum: |
| 2017 | 1. Bear the seal and signature, or the electronic |
| 2018 | signature, of the licensed engineer or architect who performed |
| 2019 | the inspection. |
| 2020 | 2. Indicate the manner and type of inspection forming the |
| 2021 | basis for the written report. |
| 2022 | 3. State whether there is substantial structural |
| 2023 | deterioration, within a reasonable professional probability |
| 2024 | based on the scope of the inspection, and the extent of such |
| 2025 | deterioration and list any recommended repairs for such |
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| 2026 | deterioration. |
|------|------------------------------------------------------------------|
| 2027 | 4. State whether unsafe or dangerous conditions, as those |
| 2028 | terms are defined in the Florida Building Code, were observed. |
| 2029 | (d) The licensed engineer or architect performing the |
| 2030 | phase 2 inspection must provide the written phase 2 inspection |
| 2031 | report by e-mail, United States Postal Service, or commercial |
| 2032 | delivery service to the local building official and the |
| 2033 | association upon completion. |
| 2034 | (e) Within 14 days after receiving the written phase 2 |
| 2035 | inspection report from the licensed engineer or architect who |
| 2036 | performed the phase 2 inspection, the association must provide |
| 2037 | the written phase 2 inspection report by e-mail, United States |
| 2038 | Postal Service, or commercial delivery service to each unit |
| 2039 | owner. |
| 2040 | (7)(a) A local building official may prescribe penalties, |
| 2041 | which must be posted on the building department's website, for |
| 2042 | failure to comply with this section. |
| 2043 | (b) If an association fails to schedule or begin repairs |
| 2044 | that are identified in the written phase 2 inspection report |
| 2045 | within a time period to be determined by the county |
| 2046 | commissioners of the county where the building is located, which |
| 2047 | time period may not exceed 365 days after the local building |
| 2048 | official receives the written phase 2 inspection report, the |
| 2049 | local building official must determine that the building is |
| 2050 | unsafe for human occupancy until such repairs are scheduled or |
| | |

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2051 begin.

2052 <u>(8) If an association fails to complete a recertification</u> 2053 <u>or phase 2 inspection pursuant to this section, such failure is</u> 2054 <u>a breach of an officer's and director's fiduciary relationship</u> 2055 <u>to the unit owners under s. 719.104(8).</u>

2056 Section 19. Paragraphs (p), (q), and (r) are added to 2057 subsection (4) of section 719.301, Florida Statutes, to read: 2058 719.301 Transfer of association control.-

2059 (4) When unit owners other than the developer elect a 2060 majority of the members of the board of administration of an 2061 association, the developer shall relinquish control of the 2062 association, and the unit owners shall accept control. 2063 Simultaneously, or for the purpose of paragraph (c) not more 2064 than 90 days thereafter, the developer shall deliver to the 2065 association, at the developer's expense, all property of the 2066 unit owners and of the association held or controlled by the 2067 developer, including, but not limited to, the following items, 2068 if applicable, as to each cooperative operated by the 2069 association:

2070 (p) A copy of the association's most recent structural 2071 <u>integrity reserve study.</u>

2072 (q) If a building on the cooperative property must be 2073 recertified under s. 719.132, a copy of the association's most 2074 recent written recertification report or a statement that the 2075 association has not completed the required recertification.

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2076 (r) If a building on the cooperative property must have a 2077 phase 2 inspection performed under s. 719.132, a copy of the 2078 association's most recent written phase 2 inspection report or a 2079 statement that the association has not completed the required 2080 phase 2 inspection. 2081 Section 20. Subsection (1) of section 719.501, Florida 2082 Statutes, is amended, and subsection (3) is added to that 2083 section, to read: 2084 719.501 Powers and duties of Division of Florida 2085 Condominiums, Timeshares, and Mobile Homes.-2086 (1)The Division of Florida Condominiums, Timeshares, and 2087 Mobile Homes of the Department of Business and Professional 2088 Regulation, referred to as the "division" in this part, in 2089 addition to other powers and duties prescribed by chapter 718, 2090 has the power to enforce and ensure compliance with this chapter 2091 and adopted rules relating to the development, construction, 2092 sale, lease, ownership, operation, and management of residential 2093 cooperative units, and complaints related to the procedural 2094 completion of the structural integrity reserve studies under s. 2095 719.106(1)(k) and recertifications and phase 2 inspections under 2096 s. 719.132. In performing its duties, the division shall have 2097 the following powers and duties: 2098 The division may make necessary public or private (a) investigations within or outside this state to determine whether 2099 any person has violated this chapter or any rule or order 2100

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2101 hereunder, to aid in the enforcement of this chapter, or to aid 2102 in the adoption of rules or forms hereunder.

(b) The division may require or permit any person to file a statement in writing, under oath or otherwise, as the division determines, as to the facts and circumstances concerning a matter to be investigated.

2107 (C) For the purpose of any investigation under this 2108 chapter, the division director or any officer or employee 2109 designated by the division director may administer oaths or affirmations, subpoena witnesses and compel their attendance, 2110 2111 take evidence, and require the production of any matter which is relevant to the investigation, including the existence, 2112 description, nature, custody, condition, and location of any 2113 2114 books, documents, or other tangible things and the identity and location of persons having knowledge of relevant facts or any 2115 2116 other matter reasonably calculated to lead to the discovery of material evidence. Upon failure by a person to obey a subpoena 2117 2118 or to answer questions propounded by the investigating officer 2119 and upon reasonable notice to all persons affected thereby, the 2120 division may apply to the circuit court for an order compelling 2121 compliance.

(d) Notwithstanding any remedies available to unit owners and associations, if the division has reasonable cause to believe that a violation of any provision of this chapter or related rule has occurred, the division may institute

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2126 enforcement proceedings in its own name against a developer, 2127 association, officer, or member of the board, or its assignees 2128 or agents, as follows:

1. The division may permit a person whose conduct or actions may be under investigation to waive formal proceedings and enter into a consent proceeding whereby orders, rules, or letters of censure or warning, whether formal or informal, may be entered against the person.

2134 2. The division may issue an order requiring the developer, association, officer, or member of the board, or its 2135 2136 assignees or agents, to cease and desist from the unlawful 2137 practice and take such affirmative action as in the judgment of 2138 the division will carry out the purposes of this chapter. Such 2139 affirmative action may include, but is not limited to, an order requiring a developer to pay moneys determined to be owed to a 2140 2141 condominium association.

3. The division may bring an action in circuit court on behalf of a class of unit owners, lessees, or purchasers for declaratory relief, injunctive relief, or restitution.

4. The division may impose a civil penalty against a developer or association, or its assignees or agents, for any violation of this chapter or related rule. The division may impose a civil penalty individually against any officer or board member who willfully and knowingly violates a provision of this chapter, a rule adopted pursuant to this chapter, or a final

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2151 order of the division. The term "willfully and knowingly" means 2152 that the division informed the officer or board member that his 2153 or her action or intended action violates this chapter, a rule 2154 adopted under this chapter, or a final order of the division, 2155 and that the officer or board member refused to comply with the 2156 requirements of this chapter, a rule adopted under this chapter, 2157 or a final order of the division. The division, before prior to 2158 initiating formal agency action under chapter 120, shall afford 2159 the officer or board member an opportunity to voluntarily comply 2160 with this chapter, a rule adopted under this chapter, or a final 2161 order of the division. An officer or board member who complies within 10 days is not subject to a civil penalty. A penalty may 2162 2163 be imposed on the basis of each day of continuing violation, but 2164 in no event shall the penalty for any offense exceed \$5,000. By January 1, 1998, the division shall adopt, by rule, penalty 2165 2166 quidelines applicable to possible violations or to categories of violations of this chapter or rules adopted by the division. The 2167 2168 guidelines must specify a meaningful range of civil penalties 2169 for each such violation of the statute and rules and must be 2170 based upon the harm caused by the violation, the repetition of 2171 the violation, and upon such other factors deemed relevant by 2172 the division. For example, the division may consider whether the 2173 violations were committed by a developer or owner-controlled 2174 association, the size of the association, and other factors. The guidelines must designate the possible mitigating or aggravating 2175

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2176 circumstances that justify a departure from the range of 2177 penalties provided by the rules. It is the legislative intent 2178 that minor violations be distinguished from those which endanger 2179 the health, safety, or welfare of the cooperative residents or 2180 other persons and that such quidelines provide reasonable and 2181 meaningful notice to the public of likely penalties that may be 2182 imposed for proscribed conduct. This subsection does not limit 2183 the ability of the division to informally dispose of 2184 administrative actions or complaints by stipulation, agreed 2185 settlement, or consent order. All amounts collected shall be 2186 deposited with the Chief Financial Officer to the credit of the 2187 Division of Florida Condominiums, Timeshares, and Mobile Homes 2188 Trust Fund. If a developer fails to pay the civil penalty, the 2189 division shall thereupon issue an order directing that such 2190 developer cease and desist from further operation until such 2191 time as the civil penalty is paid or may pursue enforcement of the penalty in a court of competent jurisdiction. If an 2192 2193 association fails to pay the civil penalty, the division shall 2194 thereupon pursue enforcement in a court of competent 2195 jurisdiction, and the order imposing the civil penalty or the 2196 cease and desist order shall not become effective until 20 days 2197 after the date of such order. Any action commenced by the 2198 division shall be brought in the county in which the division 2199 has its executive offices or in the county where the violation 2200 occurred.

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(e) The division may prepare and disseminate a prospectus
and other information to assist prospective owners, purchasers,
lessees, and developers of residential cooperatives in assessing
the rights, privileges, and duties pertaining thereto.

(f) The division has authority to adopt rules pursuant to ss. 120.536(1) and 120.54 to implement and enforce the provisions of this chapter.

(g) The division shall establish procedures for providing notice to an association when the division is considering the issuance of a declaratory statement with respect to the cooperative documents governing such cooperative community.

(h) The division shall furnish each association which pays the fees required by paragraph (2)(a) a copy of this act, subsequent changes to this act on an annual basis, an amended version of this act as it becomes available from the Secretary of State's office on a biennial basis, and the rules adopted thereto on an annual basis.

(i) The division shall annually provide each association
with a summary of declaratory statements and formal legal
opinions relating to the operations of cooperatives which were
rendered by the division during the previous year.

(j) The division shall adopt uniform accounting principles, policies, and standards to be used by all associations in the preparation and presentation of all financial statements required by this chapter. The principles,

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2226 policies, and standards shall take into consideration the size 2227 of the association and the total revenue collected by the 2228 association.

2229 (k) The division shall provide training and educational 2230 programs for cooperative association board members and unit 2231 owners. The training may, in the division's discretion, include 2232 web-based electronic media, and live training and seminars in 2233 various locations throughout the state. The division may review 2234 and approve education and training programs for board members 2235 and unit owners offered by providers and shall maintain a 2236 current list of approved programs and providers and make such 2237 list available to board members and unit owners in a reasonable 2238 and cost-effective manner.

(1) The division shall maintain a toll-free telephone number accessible to cooperative unit owners.

2241 (m) When a complaint is made to the division, the division 2242 shall conduct its inquiry with reasonable dispatch and with due 2243 regard to the interests of the affected parties. Within 30 days 2244 after receipt of a complaint, the division shall acknowledge the 2245 complaint in writing and notify the complainant whether the 2246 complaint is within the jurisdiction of the division and whether 2247 additional information is needed by the division from the 2248 complainant. The division shall conduct its investigation and 2249 shall, within 90 days after receipt of the original complaint or timely requested additional information, take action upon the 2250

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2251 complaint. However, the failure to complete the investigation 2252 within 90 days does not prevent the division from continuing the 2253 investigation, accepting or considering evidence obtained or 2254 received after 90 days, or taking administrative action if 2255 reasonable cause exists to believe that a violation of this 2256 chapter or a rule of the division has occurred. If an 2257 investigation is not completed within the time limits 2258 established in this paragraph, the division shall, on a monthly 2259 basis, notify the complainant in writing of the status of the 2260 investigation. When reporting its action to the complainant, the 2261 division shall inform the complainant of any right to a hearing 2262 pursuant to ss. 120.569 and 120.57.

2263 The division shall develop a program to certify both (n) 2264 volunteer and paid mediators to provide mediation of cooperative 2265 disputes. The division shall provide, upon request, a list of 2266 such mediators to any association, unit owner, or other 2267 participant in arbitration proceedings under s. 718.1255 2268 requesting a copy of the list. The division shall include on the 2269 list of voluntary mediators only persons who have received at 2270 least 20 hours of training in mediation techniques or have 2271 mediated at least 20 disputes. In order to become initially 2272 certified by the division, paid mediators must be certified by 2273 the Supreme Court to mediate court cases in county or circuit 2274 courts. However, the division may adopt, by rule, additional 2275 factors for the certification of paid mediators, which factors

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2276 must be related to experience, education, or background. Any 2277 person initially certified as a paid mediator by the division 2278 must, in order to continue to be certified, comply with the 2279 factors or requirements imposed by rules adopted by the 2280 division.

2281 (3) (a) On or before January 1, 2023, cooperative 2282 associations existing on or before July 1, 2022, must provide 2283 the following information to the division in writing, by e-mail, 2284 United States Postal Service, commercial delivery service, or 2285 hand delivery, at a physical address or e-mail address provided 2286 by the division and on a form posted on the division's website: 2287 1. The number of buildings on the cooperative property 2288 that are three stories or higher in height. 2289 2. The total number of units in all such buildings. 2290 3. The addresses of all such buildings. 2291 4. The counties in which all such buildings are located. 2292 (b) The division must compile a list of the number of 2293 buildings on cooperative property that are three stories or 2294 higher in height, which is searchable by county, and must post the list on the division's website. This list must include all 2295 2296 of the following information: 1. The name of each association with buildings on the 2297 2298 cooperative property that are three stories or higher in height. 2299 2. The number of such buildings on each association's 2300 property.

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2301 The addresses of all such buildings. 3. 2302 The counties in which all such buildings are located. 4. 2303 (c) An association must provide an update in writing to 2304 the division if there are any changes to the information in the 2305 list under paragraph (b) within 6 months after the change. 2306 Section 21. Paragraph (b) of subsection (1) and paragraph 2307 (a) of subsection (2) of section 719.503, Florida Statutes, are 2308 amended to read: 2309 719.503 Disclosure before prior to sale.-2310 DEVELOPER DISCLOSURE.-(1)2311 (b) Copies of documents to be furnished to prospective 2312 buyer or lessee.-Until such time as the developer has furnished 2313 the documents listed below to a person who has entered into a 2314 contract to purchase a unit or lease it for more than 5 years, 2315 the contract may be voided by that person, entitling the person 2316 to a refund of any deposit together with interest thereon as provided in s. 719.202. The contract may be terminated by 2317 2318 written notice from the proposed buyer or lessee delivered to 2319 the developer within 15 days after the buyer or lessee receives 2320 all of the documents required by this section. The developer may 2321 shall not close for 15 days after following the execution of the 2322 agreement and delivery of the documents to the buyer as 2323 evidenced by a receipt for documents signed by the buyer unless 2324 the buyer is informed in the 15-day voidability period and agrees to close before prior to the expiration of the 15 days. 2325

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2326 The developer must shall retain in his or her records a separate 2327 signed agreement as proof of the buyer's agreement to close 2328 before prior to the expiration of the said voidability period. 2329 Such Said proof must shall be retained for a period of 5 years 2330 after the date of the closing transaction. The documents to be 2331 delivered to the prospective buyer are the prospectus or 2332 disclosure statement with all exhibits, if the development is 2333 subject to the provisions of s. 719.504, or, if not, then copies 2334 of the following which are applicable:

1. The question and answer sheet described in s. 719.504, and cooperative documents, or the proposed cooperative documents if the documents have not been recorded, which <u>must shall</u> include the certificate of a surveyor approximately representing the locations required by s. 719.104.

2340 2341 2. The documents creating the association.

3. The bylaws.

2342 4. The ground lease or other underlying lease of the2343 cooperative.

5. The management contract, maintenance contract, and other contracts for management of the association and operation of the cooperative and facilities used by the unit owners having a service term in excess of 1 year, and any management contracts that are renewable.

2349 6. The estimated operating budget for the cooperative and2350 a schedule of expenses for each type of unit, including fees

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assessed to a shareholder who has exclusive use of limited common areas, where such costs are shared only by those entitled to use such limited common areas.

7. The lease of recreational and other facilities thatwill be used only by unit owners of the subject cooperative.

356 8. The lease of recreational and other common areas that 357 will be used by unit owners in common with unit owners of other 358 cooperatives.

9. The form of unit lease if the offer is of a leasehold.

360 10. Any declaration of servitude of properties serving the 361 cooperative but not owned by unit owners or leased to them or 362 the association.

11. If the development is to be built in phases or if the association is to manage more than one cooperative, a description of the plan of phase development or the arrangements for the association to manage two or more cooperatives.

2367 12. If the cooperative is a conversion of existing
2368 improvements, the statements and disclosure required by s.
2369 719.616.

13. The form of agreement for sale or lease of units.

2371 14. A copy of the floor plan of the unit and the plot plan 2372 showing the location of the residential buildings and the 2373 recreation and other common areas.

2374 15. A copy of all covenants and restrictions <u>that</u> which
2375 will affect the use of the property and which are not contained

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in the foregoing.

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egoing. If the developer is required by state or local is to obtain acceptance or approval of any dock of ilities intended to serve the cooperative, a copy

2378 authorities to obtain acceptance or approval of any dock or 2379 marina facilities intended to serve the cooperative, a copy of 2380 any such acceptance or approval acquired by the time of filing 2381 with the division under pursuant to s. 719.502(1) or a statement 2382 that such acceptance or approval has not been acquired or 2383 received. 2384 17. Evidence demonstrating that the developer has an 2385 ownership, leasehold, or contractual interest in the land upon 2386 which the cooperative is to be developed. 2387 18. A copy of the association's most recent structural 2388 integrity reserve study or a statement that the association has 2389 not completed a structural integrity reserve study. 2390 19. If the unit is located in a building on the 2391 cooperative property that must be recertified under s. 719.132, 2392 a copy of the association's most recent written recertification 2393 report or a statement that the association has not completed the 2394 required recertification. 2395 20. If the unit is located in a building on the 2396 cooperative property that must have a phase 2 inspection 2397 performed under s. 719.132, a copy of the association's most 2398 recent written phase 2 inspection report or a statement that the 2399 association has not completed the required phase 2 inspection. 2400 (2)NONDEVELOPER DISCLOSURE. -

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2401 Each unit owner who is not a developer as defined by (a) 2402 this chapter must comply with the provisions of this subsection 2403 before prior to the sale of his or her interest in the 2404 association. Each prospective purchaser who has entered into a 2405 contract for the purchase of an interest in a cooperative is 2406 entitled, at the seller's expense, to a current copy of the 2407 articles of incorporation of the association, the bylaws, and 2408 rules of the association, as well as a copy of the question and 2409 answer sheet as provided in s. 719.504, a copy of the 2410 association's most recent structural integrity reserve study or 2411 a statement that the association has not completed a structural 2412 integrity reserve study, and, if applicable, a copy of the 2413 association's most recent written recertification report or most 2414 recent written phase 2 inspection report or a statement that the 2415 association has not completed the required recertification or 2416 required phase 2 inspection. 2417

2417 Section 22. Paragraphs (q), (r), and (s) are added to 2418 subsection (23) of section 719.504, Florida Statutes, to read:

719.504 Prospectus or offering circular.-Every developer of a residential cooperative which contains more than 20 residential units, or which is part of a group of residential cooperatives which will be served by property to be used in common by unit owners of more than 20 residential units, shall prepare a prospectus or offering circular and file it with the Division of Florida Condominiums, Timeshares, and Mobile Homes

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2426 prior to entering into an enforceable contract of purchase and 2427 sale of any unit or lease of a unit for more than 5 years and 2428 shall furnish a copy of the prospectus or offering circular to 2429 each buyer. In addition to the prospectus or offering circular, 2430 each buyer shall be furnished a separate page entitled "Frequently Asked Questions and Answers," which must be in 2431 2432 accordance with a format approved by the division. This page 2433 must, in readable language: inform prospective purchasers 2434 regarding their voting rights and unit use restrictions, 2435 including restrictions on the leasing of a unit; indicate 2436 whether and in what amount the unit owners or the association is 2437 obligated to pay rent or land use fees for recreational or other 2438 commonly used facilities; contain a statement identifying that 2439 amount of assessment which, pursuant to the budget, would be 2440 levied upon each unit type, exclusive of any special 2441 assessments, and which identifies the basis upon which 2442 assessments are levied, whether monthly, quarterly, or 2443 otherwise; state and identify any court cases in which the 2444 association is currently a party of record in which the 2445 association may face liability in excess of \$100,000; and state 2446 whether membership in a recreational facilities association is 2447 mandatory and, if so, identify the fees currently charged per unit type. The division shall by rule require such other 2448 2449 disclosure as in its judgment will assist prospective purchasers. The prospectus or offering circular may include more 2450

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than one cooperative, although not all such units are being offered for sale as of the date of the prospectus or offering circular. The prospectus or offering circular must contain the following information:

2455 (23) Copies of the following, to the extent they are 2456 applicable, shall be included as exhibits:

2457 (q) The association's most recent structural integrity 2458 reserve study or a statement that the association has not 2459 completed a structural integrity reserve study.

(r) If the unit is located in a building on the cooperative property that must be recertified under s. 719.132, the association's most recent written recertification report or a statement that the association has not completed the required recertification.

(s) If the unit is located in a building on the cooperative property that must have a phase 2 inspection performed under s. 719.132, the association's most recent written phase 2 inspection report or a statement that the association has not completed the required phase 2 inspection.

2470 Section 23. Paragraphs (d) and (k) of subsection (10) of 2471 section 720.303, Florida Statutes, are amended to read:

2472 720.303 Association powers and duties; meetings of board; 2473 official records; budgets; financial reporting; association 2474 funds; recalls.-

2475

(10) RECALL OF DIRECTORS.-

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2476 If the board determines not to certify the written (d) 2477 agreement or written ballots to recall a director or directors 2478 of the board or does not certify the recall by a vote at a 2479 meeting, the board shall, within 5 full business days after the 2480 meeting, file an action with a court of competent jurisdiction 2481 or file with the department a petition for binding arbitration 2482 under the applicable procedures in ss. 718.112(2)(k) ss. 2483 718.112(2)(j) and 718.1255 and the rules adopted thereunder. For 2484 the purposes of this section, the members who voted at the meeting or who executed the agreement in writing shall 2485 2486 constitute one party under the petition for arbitration or in a 2487 court action. If the arbitrator or court certifies the recall as 2488 to any director or directors of the board, the recall will be 2489 effective upon the final order of the court or the mailing of 2490 the final order of arbitration to the association. The director 2491 or directors so recalled shall deliver to the board any and all 2492 records of the association in their possession within 5 full 2493 business days after the effective date of the recall. 2494 A board member who has been recalled may file an (k) 2495 action with a court of competent jurisdiction or a petition 2496 under ss. 718.112(2)(k) ss. 718.112(2)(j) and 718.1255 and the 2497

rules adopted challenging the validity of the recall. The petition or action must be filed within 60 days after the recall is deemed certified. The association and the parcel owner representative shall be named as respondents.

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2501 Section 24. Subsection (1) of section 720.311, Florida 2502 Statutes, is amended to read: 2503 720.311 Dispute resolution.-2504 (1)The Legislature finds that alternative dispute 2505 resolution has made progress in reducing court dockets and 2506 trials and in offering a more efficient, cost-effective option 2507 to litigation. The filing of any petition for arbitration or the 2508 serving of a demand for presuit mediation as provided for in 2509 this section shall toll the applicable statute of limitations. 2510 Any recall dispute filed with the department under s. 2511 720.303(10) shall be conducted by the department in accordance 2512 with the provisions of ss. 718.112(2)(k) ss. 718.112(2)(j) and 2513 718.1255 and the rules adopted by the division. In addition, the 2514 department shall conduct binding arbitration of election 2515 disputes between a member and an association in accordance with 2516 s. 718.1255 and rules adopted by the division. Election disputes 2517 and recall disputes are not eligible for presuit mediation; 2518 these disputes must be arbitrated by the department or filed in 2519 a court of competent jurisdiction. At the conclusion of an 2520 arbitration proceeding, the department shall charge the parties 2521 a fee in an amount adequate to cover all costs and expenses 2522 incurred by the department in conducting the proceeding. 2523 Initially, the petitioner shall remit a filing fee of at least 2524 \$200 to the department. The fees paid to the department shall 2525 become a recoverable cost in the arbitration proceeding, and the

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2526 prevailing party in an arbitration proceeding shall recover its 2527 reasonable costs and attorney fees in an amount found reasonable 2528 by the arbitrator. The department shall adopt rules to 2529 effectuate the purposes of this section. 2530 Section 25. Subsection (6) of section 721.15, Florida 2531 Statutes, is amended to read: 2532 721.15 Assessments for common expenses.-2533 Notwithstanding any contrary requirements of s. (6) 2534 718.112(2)(h) s. 718.112(2)(q) or s. 719.106(1)(q), for 2535 timeshare plans subject to this chapter, assessments against 2536 purchasers need not be made more frequently than annually. 2537 Section 26. For the 2022-2023 fiscal year, the sums of 2538 \$333,380 in recurring funds and \$167,564 in nonrecurring funds 2539 are appropriated from the Division of Florida Condominiums, 2540 Timeshares, and Mobile Homes Trust Fund to the Department of 2541 Business and Professional Regulation, and four full-time 2542 equivalent positions with associated salary rate of 197,500 are 2543 authorized, for the purpose of implementing the provisions 2544 related to this act. 2545 Section 27. This act shall take effect July 1, 2022.

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