House

Florida Senate - 2024 Bill No. CS for SB 1178

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LEGISLATIVE ACTION

Senate Comm: RCS 02/13/2024

The Appropriations Committee on Agriculture, Environment, and General Government (Bradley) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert: Section 1. Subsection (3) is added to section 468.4334,

Florida Statutes, to read:

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468.4334 Professional practice standards; liability.-

(3) A community association manager or a community

association management firm shall return all community

10 association official records within its possession to the

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| 11 | community association or successor community association manager  |
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| 12 | or community association management firm within 20 business days  |
| 13 | after termination of a contractual agreement to provide           |
| 14 | community association management services to the community        |
| 15 | association or receipt of a written request for return of the     |
| 16 | official records, whichever occurs first. A notice of             |
| 17 | termination of a contractual agreement to provide community       |
| 18 | association management services must be sent by certified mail,   |
| 19 | return receipt requested, or in the manner required under such    |
| 20 | contractual agreement. The community association manager or       |
| 21 | community association management firm may retain, for up to 20    |
| 22 | business days, those records necessary to complete an ending      |
| 23 | financial statement or report. If an association fails to         |
| 24 | provide access to or retention of accounting records to prepare   |
| 25 | an ending financial statement or report, the community            |
| 26 | association manager or community association management firm is   |
| 27 | relieved from any further responsibility or liability relating    |
| 28 | to the preparation of such ending financial statement or report.  |
| 29 | Failure of a community association manager or a community         |
| 30 | association management firm to timely return all of the official  |
| 31 | records within its possession to the community association        |
| 32 | creates a rebuttable presumption that the community association   |
| 33 | manager or a community association management firm willfully      |
| 34 | failed to comply with this subsection. A community association    |
| 35 | manager or a community association management firm that fails to  |
| 36 | timely return community association records is subject to         |
| 37 | suspension of its license under s. 468.436, and a civil penalty   |
| 38 | of \$1,000 per day for up to 10 business days, assessed beginning |
| 39 | on the 21st business day after termination of a contractual       |
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| 40 | agreement to provide community association management services   |
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| 41 | to the community association or receipt of a written request     |
| 42 | from the association for return of the records, whichever occurs |
| 43 | first.   |
| 44 | Section 2. Section 468.4335, Florida Statutes, is created        |
| 45 | to read:   |
| 46 | 468.4335 Conflicts of interest                                   |
| 47 | (1) A community association manager or a community               |
| 48 | association management firm, including directors, officers, and  |
| 49 | persons with a financial interest in a community association     |
| 50 | management firm, or a relative of such persons, must provide a   |
| 51 | written disclosure to the board of a community association any   |
| 52 | activity that may reasonably be construed to be a conflict of    |
| 53 | interest. A rebuttable presumption of a conflict of interest     |
| 54 | exists if any of the following occurs without prior notice:      |
| 55 | (a) A community association manager or a community               |
| 56 | association management firm, including directors, officers, and  |
| 57 | persons with a financial interest in a community association     |
| 58 | management firm, or a relative of such persons, enters into a    |
| 59 | contract with the association for goods or services, other than  |
| 60 | community association management services.                       |
| 61 | (b) A community association manager or a community               |
| 62 | association management firm, including directors, officers, and  |
| 63 | persons with a financial interest in a community association     |
| 64 | management firm, or a relative of such persons, holds an         |
| 65 | interest in or receives compensation or any thing of value from  |
| 66 | a corporation, limited liability corporation, partnership,       |
| 67 | limited liability partnership, or other business entity that     |
| 68 | conducts business with the association or proposes to enter into |
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69 a contract or other transaction with the association. 70 (2) If the association receives and considers a bid to 71 provide a good or service, other than community association 72 management services, from a community association manager or a 73 community association management firm, including directors, 74 officers, and persons with a financial interest in a community 75 association management firm, or a relative of such persons, the 76 association must also solicit multiple competitive bids from 77 other third-party providers of such good or service. 78 (3) If a community association manager or a community 79 association management firm, including directors, officers, and 80 persons with a financial interest in a community association 81 management firm, or a relative of such persons, proposes to 82 engage in an activity that is a conflict of interest as 83 described in subsection (1), the proposed activity must be 84 listed on, and all contracts and transactional documents related 85 to the proposed activity must be attached to, the meeting agenda 86 of the next board of administration meeting. The disclosures of a possible conflict of interest must be entered into the written 87 88 minutes of the meeting. Approval of the contract or other 89 transaction requires an affirmative vote of two-thirds of all 90 directors present. At the next regular or special meeting of the 91 members, the existence of the contract or other transaction must 92 be disclosed to the members. 93 (4) If the board finds that a community association manager 94 or a community association management firm, including directors, 95 officers, and persons with a financial interest in a community

96 <u>association management firm, or a relative of such persons, has</u> 97 violated this section, the association may cancel its community

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| 98  | association management contract with the community association   |
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| 99  | manager or the community association management firm. If the     |
| 100 | contract is canceled, the association is liable only for the     |
| 101 | reasonable value of the management services provided up to the   |
| 102 | time of cancellation and is not liable for any termination fees, |
| 103 | liquidated damages, or other form of penalty for such            |
| 104 | cancellation.  |
| 105 | (5) If an association enters into a contract, other than a       |
| 106 | contract for community association management services, with a   |
| 107 | community association manager or a community association         |
| 108 | management firm, including directors, officers, and persons with |
| 109 | a financial interest in a community association management firm, |
| 110 | or a relative of such persons, which is a party to or has an     |
| 111 | interest in an activity that is a possible conflict of interest  |
| 112 | as described in subsection (1) and that activity has not been    |
| 113 | properly disclosed as a conflict of interest or potential        |
| 114 | conflict of interest as required by this section, the contract   |
| 115 | is voidable and terminates upon the association filing a written |
| 116 | notice terminating the contract.                                 |
| 117 | (6) As used in this section, the term "relative" means a         |
| 118 | relative within the third degree of consanguinity by blood or    |
| 119 | marriage.  |
| 120 | (7) The procedures in subsections (2), (3), and (4) do not       |
| 121 | apply to any activities or the provision of goods and services   |
| 122 | that are disclosed in the management services contract as a      |
| 123 | conflict of interest within the meaning of subsection (1).       |
| 124 | Section 3. Paragraph (b) of subsection (2) of section            |
| 125 | 468.436, Florida Statutes, is amended, and subsection (4) of     |
| 126 | that section is reenacted, to read:                              |
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127 468.436 Disciplinary proceedings.-128 (2) The following acts constitute grounds for which the 129 disciplinary actions in subsection (4) may be taken: 130 (b)1. Violation of any provision of this part. 131 2. Violation of any lawful order or rule rendered or 132 adopted by the department or the council. 133 3. Being convicted of or pleading nolo contendere to a 134 felony in any court in the United States. 135 4. Obtaining a license or certification or any other order, 136 ruling, or authorization by means of fraud, misrepresentation, 137 or concealment of material facts. 138 5. Committing acts of gross misconduct or gross negligence 139 in connection with the profession. 140 6. Contracting, on behalf of an association, with any 141 entity in which the licensee has a financial interest that is 142 not disclosed. 7. Failing to disclose any conflict of interest as required 143 144 by s. 468.4335. 145 8. Violating any provision of chapter 718, chapter 719, or 146 chapter 720 during the course of performing community 147 association management services pursuant to a contract with a community association as defined in s. 468.431(1). 148 149 (4) When the department finds any community association manager or firm guilty of any of the grounds set forth in 150 151 subsection (2), it may enter an order imposing one or more of 152 the following penalties: 153 (a) Denial of an application for licensure. 154 (b) Revocation or suspension of a license. (c) Imposition of an administrative fine not to exceed 155

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| 156 | \$5,000 for each count or separate offense.                      |
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| 157 | (d) Issuance of a reprimand.                                     |
| 158 | (e) Placement of the community association manager on            |
| 159 | probation for a period of time and subject to such conditions as |
| 160 | the department specifies.  |
| 161 | (f) Restriction of the authorized scope of practice by the       |
| 162 | community association manager.                                   |
| 163 | Section 4. Section 553.8445, Florida Statutes, is created        |
| 164 | to read:   |
| 165 | 553.8445 Prevention of water intrusion through the tracks        |
| 166 | of sliding glass doors.—   |
| 167 | (1) All residential dwellings must be required to be             |
| 168 | equipped with a reusable device which is attachable to the       |
| 169 | sliding glass door track and is designed to reduce water         |
| 170 | intrusion through the tracks of the sliding glass doors by not   |
| 171 | less than 90 percent with wind not less than 100 miles per hour  |
| 172 | as a condition for:  |
| 173 | (a) The issuance of a building permit for the construction       |
| 174 | of new residential dwelling with an exterior sliding glass door. |
| 175 | (b) The issuance of a building permit for the installation       |
| 176 | or repair of an exterior sliding glass door in a residential     |
| 177 | dwelling.  |
| 178 | (c) The completion of a milestone inspection required by s.      |
| 179 | 553.899, or a similar local requirement, for any dwelling with   |
| 180 | an exterior sliding glass door.                                  |
| 181 | (2) This section shall apply to exterior sliding glass           |
| 182 | doors contained in any condominium unit, multifamily dwelling,   |
| 183 | or single-family dwelling.                                       |
| 184 | (3) By July 1, 2025, the commission shall adopt the              |
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185 requirements of this section into the Florida Building Code 186 pursuant to s. 553.73(8). Section 5. Subsection (4) of section 553.899, Florida 187 188 Statutes, is amended to read: 189 553.899 Mandatory structural inspections for condominium 190 and cooperative buildings.-191 (4) The milestone inspection report must be arranged by a 192 condominium or cooperative association and any owner of any 193 portion of the building which is not subject to the condominium 194 or cooperative form of ownership. The condominium association or 195 cooperative association and any owner of any portion of the 196 building which is not subject to the condominium or cooperative 197 form of ownership are each responsible for ensuring compliance 198 with the requirements of this section. The condominium 199 association or cooperative association is responsible for all 200 costs associated with the milestone inspection attributable to 201 the portions of a building which the association is responsible 202 to maintain under the governing documents of the association. 203 This section does not apply to a single-family, two-family, or 204 three-family, or four-family dwelling with three or fewer 205 habitable stories above ground.

Section 6. Present subsections (19) through (32) of section 718.103, Florida Statutes, are redesignated as subsections (20) through (33), respectively, a new subsection (19) is added to that section, and subsection (1) of that section is amended, to read:

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718.103 Definitions.-As used in this chapter, the term:

(1) "Alternative funding method" means a method approved bythe division for funding the capital expenditures and <u>planned</u>

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| 214 | deferred maintenance obligations for a multicondominium          |
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| 215 | association operating at least 25 condominiums which may         |
| 216 | reasonably be expected to fully satisfy the association's        |
| 217 | reserve funding obligations by the allocation of funds in the    |
| 218 | annual operating budget.   |
| 219 | (19) "Hurricane protection" means hurricane shutters,            |
| 220 | impact glass, code-compliant windows or doors, and other code-   |
| 221 | compliant hurricane protection products used to preserve and     |
| 222 | protect the condominium property or association property.        |
| 223 | Section 7. Paragraph (p) is added to subsection (4) of           |
| 224 | section 718.104, Florida Statutes, to read:                      |
| 225 | 718.104 Creation of condominiums; contents of declaration        |
| 226 | Every condominium created in this state shall be created         |
| 227 | pursuant to this chapter.  |
| 228 | (4) The declaration must contain or provide for the              |
| 229 | following matters:   |
| 230 | (p) For both residential condominiums and mixed-use              |
| 231 | condominiums, a statement that specifies whether the unit owner  |
| 232 | or the association is responsible for the installation,          |
| 233 | maintenance, repair, or replacement of hurricane protection that |
| 234 | is for the preservation and protection of the condominium        |
| 235 | property and association property.                               |
| 236 | Section 8. Paragraph (a) of subsection (1), paragraph (h)        |
| 237 | of subsection (11), and subsections (12), (13), and (15) of      |
| 238 | section 718.111, Florida Statutes, are amended to read:          |
| 239 | 718.111 The association  |
| 240 | (1) CORPORATE ENTITY   |
| 241 | (a) The operation of the condominium shall be by the             |
| 242 | association, which must be a Florida corporation for profit or a |
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243 Florida corporation not for profit. However, any association 244 which was in existence on January 1, 1977, need not be 245 incorporated. The owners of units shall be shareholders or members of the association. The officers and directors of the 246 247 association have a fiduciary relationship to the unit owners. It 248 is the intent of the Legislature that nothing in this paragraph 249 shall be construed as providing for or removing a requirement of 250 a fiduciary relationship between any manager employed by the association and the unit owners. An officer, director, or 251 252 manager may not solicit, offer to accept, or accept a kickback. 253 As used in this paragraph, the term "kickback" means any thing 254 or service of value or kickback for which consideration has not 255 been provided for an officer's, a director's, or a manager's his 256 or her own benefit or that of his or her immediate family, from 257 any person providing or proposing to provide goods or services 258 to the association. Any such officer, director, or manager who 259 knowingly so solicits, offers to accept, or accepts a any thing 260 or service of value or kickback commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 261 262 775.084, and is subject to a civil penalty pursuant to s. 263 718.501(1)(d) and, if applicable, a criminal penalty as provided 264 in paragraph (d). However, this paragraph does not prohibit an 265 officer, director, or manager from accepting services or items received in connection with trade fairs or education programs. 266 267 An association may operate more than one condominium.

(11) INSURANCE.-In order to protect the safety, health, and welfare of the people of the State of Florida and to ensure consistency in the provision of insurance coverage to condominiums and their unit owners, this subsection applies to

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272 every residential condominium in the state, regardless of the 273 date of its declaration of condominium. It is the intent of the Legislature to encourage lower or stable insurance premiums for 274 275 associations described in this subsection.

276 (h) The association shall maintain insurance or fidelity 277 bonding of all persons who control or disburse funds of the 278 association. The insurance policy or fidelity bond must cover 279 the maximum funds that will be in the custody of the association 280 or its management agent at any one time. Upon receipt of a 281 complaint, the division shall monitor compliance with this 282 paragraph and may issue fines and penalties established by the 283 division for failure of an association to maintain the required 284 insurance policy or fidelity bond. As used in this paragraph, 285 the term "persons who control or disburse funds of the 286 association" includes, but is not limited to, those individuals 287 authorized to sign checks on behalf of the association, and the 288 president, secretary, and treasurer of the association. The 289 association shall bear the cost of any such bonding.

(12) OFFICIAL RECORDS.-

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

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

2. A photocopy of the recorded declaration of condominium of each condominium operated by the association and each 298 amendment to each declaration.

299 3. A photocopy of the recorded bylaws of the association 300 and each amendment to the bylaws.

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301 4. A certified copy of the articles of incorporation of the 302 association, or other documents creating the association, and 303 each amendment thereto. 304 5. A copy of the current rules of the association. 305 6. A book or books that contain the minutes of all meetings 306 of the association, the board of administration, and the unit 307 owners. 308 7. A current roster of all unit owners and their mailing addresses, unit identifications, voting certifications, and, if 309 310 known, telephone numbers. The association shall also maintain 311 the e-mail addresses and facsimile numbers of unit owners 312 consenting to receive notice by electronic transmission. The e-313 mail addresses and facsimile numbers are not accessible to unit 314 owners if consent to receive notice by electronic transmission 315 is not provided in accordance with sub-subparagraph (c)5.e. 316 (c) However, the association is not liable for an 317 inadvertent disclosure of the e-mail address or facsimile number 318 for receiving electronic transmission of notices.

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

321 9. A current copy of any management agreement, lease, or 322 other contract to which the association is a party or under 323 which the association or the unit owners have an obligation or 324 responsibility.

325 10. Bills of sale or transfer for all property owned by the 326 association.

327 11. Accounting records for the association and separate 328 accounting records for each condominium that the association 329 operates. Any person who knowingly or intentionally defaces or

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330 destroys such records, or who knowingly or intentionally fails 331 to create or maintain such records, with the intent of causing harm to the association or one or more of its members, is 332 333 personally subject to a civil penalty pursuant to s. 334 718.501(1)(d). The accounting records must include, but are not 335 limited to: 336 a. Accurate, itemized, and detailed records of all receipts 337 and expenditures. 338 b. All invoices, transaction receipts, or deposit slips 339 that substantiate any receipt or expenditure of funds by the 340 association. 341 c. A current account and a monthly, bimonthly, or quarterly 342 statement of the account for each unit designating the name of 343 the unit owner, the due date and amount of each assessment, the 344 amount paid on the account, and the balance due. 345 d.<del>c.</del> All audits, reviews, accounting statements, structural integrity reserve studies, and financial reports of the 346 347 association or condominium. Structural integrity reserve studies 348 must be maintained for at least 15 years after the study is 349 completed. 350 e.d. All contracts for work to be performed. Bids for work 351 to be performed are also considered official records and must be 352 maintained by the association for at least 1 year after receipt

353 of the bid.

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12. Ballots, sign-in sheets, voting proxies, and all other papers and electronic records relating to voting by unit owners, which must be maintained for 1 year from the date of the election, vote, or meeting to which the document relates,

notwithstanding paragraph (b).

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359 13. All rental records if the association is acting as 360 agent for the rental of condominium units. 361 14. A copy of the current question and answer sheet as 362 described in s. 718.504. 363 15. A copy of the inspection reports described in ss. 364 553.899 and 718.301(4)(p) and any other inspection report 365 relating to a structural or life safety inspection of 366 condominium property. Such record must be maintained by the 367 association for 15 years after receipt of the report. 368 16. Bids for materials, equipment, or services. 369 17. All affirmative acknowledgments made pursuant to s. 370 718.121(4)(c). 371 18. A copy of all building permits. 372 19. All other written records of the association not 373 specifically included in the foregoing which are related to the 374 operation of the association. 375 (b) The official records specified in subparagraphs (a)1.-376 6. must be permanently maintained from the inception of the 377 association. Bids for work to be performed or for materials, 378 equipment, or services must be maintained for at least 1 year 379 after receipt of the bid. All other official records must be 380 maintained within the state for at least 7 years, unless 381 otherwise provided by general law. The official records must be 382 maintained in a manner that facilitates inspection of the 383 records by a unit owner. In the event that the records are lost, 384 destroyed, or otherwise unavailable, the obligation to maintain 385 official records includes a good faith obligation to recover 386 those records as may be reasonably possible. The records of the 387 association shall be made available to a unit owner within 45

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388 miles of the condominium property or within the county in which 389 the condominium property is located within 10 working days after 390 receipt of a written request by the board or its designee. 391 However, such distance requirement does not apply to an 392 association governing a timeshare condominium. This paragraph 393 and paragraph (c) may be complied with by having a copy of the 394 official records of the association available for inspection or 395 copying on the condominium property or association property, or 396 the association may offer the option of making the records 397 available to a unit owner electronically via the Internet as 398 provided under paragraph (g) or by allowing the records to be 399 viewed in electronic format on a computer screen and printed 400 upon request. The association is not responsible for the use or 401 misuse of the information provided to an association member or 402 his or her authorized representative in compliance with this 403 chapter unless the association has an affirmative duty not to 404 disclose such information under this chapter.

405 (c)1.a. The official records of the association are open to 406 inspection by any association member and any person authorized 407 by an association member as a representative of such member at all reasonable times. The right to inspect the records includes 408 409 the right to make or obtain copies, at the reasonable expense, 410 if any, of the member and of the person authorized by the association member as a representative of such member. A renter 411 412 of a unit has a right to inspect and copy only the declaration 413 of condominium, the association's bylaws and rules, and the 414 inspection reports described in ss. 553.899 and 718.301(4)(p). 415 The association may adopt reasonable rules regarding the frequency, time, location, notice, and manner of record 416



417 inspections and copying but may not require a member to 418 demonstrate any purpose or state any reason for the inspection. 419 The failure of an association to provide the records within 10 420 working days after receipt of a written request creates a 421 rebuttable presumption that the association willfully failed to 422 comply with this paragraph. A unit owner who is denied access to 423 official records is entitled to the actual damages or minimum 424 damages for the association's willful failure to comply. Minimum 425 damages are \$50 per calendar day for up to 10 days, beginning on 426 the 11th working day after receipt of the written request. The 427 failure to permit inspection entitles any person prevailing in 428 an enforcement action to recover reasonable attorney fees from 429 the person in control of the records who, directly or 430 indirectly, knowingly denied access to the records. If the 431 requested records are posted on an association's website, or are 432 available for download through an application on a mobile 433 device, the association may fulfill its obligations as provided 434 under this paragraph by directing all persons authorized to 435 request access to official records pursuant to this paragraph to 436 the website or mobile device application. 437 b. In response to a written request to inspect records, the 438 association must simultaneously provide a checklist to the 439 requestor of all records made available for inspection and 440 copying. The checklist must also identify any of the

441 <u>association's official records that were not made available to</u> 442 <u>the requestor. An association must maintain a checklist provided</u> 443 <u>under this sub-subparagraph for 7 years. An association</u>

444 <u>delivering a checklist pursuant to this sub-subparagraph creates</u>
445 a rebuttable presumption that the association has complied with

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446 this paragraph.

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2. Any director or member of the board or association or a community association manager who knowingly, willfully, and repeatedly violates subparagraph 1. with the intent of causing harm to the association or one or more of its members commits a 451 misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083. For purposes of this subparagraph, the 453 term "repeatedly" means two or more violations within a 12-month period.

455 3.2. Any person who knowingly or intentionally defaces or 456 destroys accounting records that are required by this chapter to 457 be maintained during the period for which such records are 458 required to be maintained, or who knowingly or intentionally 459 fails to create or maintain accounting records that are required 460 to be created or maintained, with the intent of causing harm to 461 the association or one or more of its members, commits a 462 misdemeanor of the first degree, punishable as provided in s. 463 775.082 or s. 775.083, and is personally subject to a civil 464 penalty pursuant to s. 718.501(1)(d).

4. Any person who willfully and knowingly refuses to release or otherwise produce association records with the intent to avoid or escape detection, arrest, trial, or punishment for the commission of a crime, or to assist another person with such avoidance or escape, commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

471 5.3. The association shall maintain an adequate number of 472 copies of the declaration, articles of incorporation, bylaws, 473 and rules, and all amendments to each of the foregoing, as well 474 as the question and answer sheet as described in s. 718.504 and

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475 year-end financial information required under this section, on 476 the condominium property to ensure their availability to unit 477 owners and prospective purchasers, and may charge its actual 478 costs for preparing and furnishing these documents to those 479 requesting the documents. An association shall allow a member or 480 his or her authorized representative to use a portable device, 481 including a smartphone, tablet, portable scanner, or any other 482 technology capable of scanning or taking photographs, to make an 483 electronic copy of the official records in lieu of the 484 association's providing the member or his or her authorized 485 representative with a copy of such records. The association may 486 not charge a member or his or her authorized representative for 487 the use of a portable device. Notwithstanding this paragraph, 488 the following records are not accessible to unit owners:

489 a. Any record protected by the lawyer-client privilege as 490 described in s. 90.502 and any record protected by the work-491 product privilege, including a record prepared by an association 492 attorney or prepared at the attorney's express direction, which reflects a mental impression, conclusion, litigation strategy, 493 494 or legal theory of the attorney or the association, and which 495 was prepared exclusively for civil or criminal litigation or for 496 adversarial administrative proceedings, or which was prepared in 497 anticipation of such litigation or proceedings until the 498 conclusion of the litigation or proceedings.

499 b. Information obtained by an association in connection 500 with the approval of the lease, sale, or other transfer of a 501 unit.

502 c. Personnel records of association or management company 503 employees, including, but not limited to, disciplinary, payroll,



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

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d. Medical records of unit owners.

510 e. Social security numbers, driver license numbers, credit 511 card numbers, e-mail addresses, telephone numbers, facsimile numbers, emergency contact information, addresses of a unit 512 513 owner other than as provided to fulfill the association's notice 514 requirements, and other personal identifying information of any 515 person, excluding the person's name, unit designation, mailing 516 address, property address, and any address, e-mail address, or 517 facsimile number provided to the association to fulfill the 518 association's notice requirements. Notwithstanding the 519 restrictions in this sub-subparagraph, an association may print 520 and distribute to unit owners a directory containing the name, 521 unit address, and all telephone numbers of each unit owner. 522 However, an owner may exclude his or her telephone numbers from 523 the directory by so requesting in writing to the association. An 524 owner may consent in writing to the disclosure of other contact 525 information described in this sub-subparagraph. The association 526 is not liable for the inadvertent disclosure of information that 527 is protected under this sub-subparagraph if the information is 528 included in an official record of the association and is 529 voluntarily provided by an owner and not requested by the 530 association.

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

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533 g. The software and operating system used by the 534 association which allow the manipulation of data, even if the 535 owner owns a copy of the same software used by the association. 536 The data is part of the official records of the association.

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

(d) The association shall prepare a question and answer sheet as described in s. 718.504, and shall update it annually.

541 (e)1. The association or its authorized agent is not 542 required to provide a prospective purchaser or lienholder with 543 information about the condominium or the association other than 544 information or documents required by this chapter to be made 545 available or disclosed. The association or its authorized agent 546 may charge a reasonable fee to the prospective purchaser, 547 lienholder, or the current unit owner for providing good faith 548 responses to requests for information by or on behalf of a prospective purchaser or lienholder, other than that required by 549 550 law, if the fee does not exceed \$150 plus the reasonable cost of 551 photocopying and any attorney's fees incurred by the association 552 in connection with the response.

2. An association and its authorized agent are not liable for providing such information in good faith pursuant to a written request if the person providing the information includes a written statement in substantially the following form: "The responses herein are made in good faith and to the best of my ability as to their accuracy."

(f) An outgoing board or committee member must relinquish
all official records and property of the association in his or
her possession or under his or her control to the incoming board

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within 5 days after the election. The division shall impose a civil penalty as set forth in s. 718.501(1)(d)6. against an outgoing board or committee member who willfully and knowingly fails to relinguish such records and property.

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

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a. The association's website or application must be:

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

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

582 b. The association's website or application must be 583 accessible through the Internet and must contain a subpage, web 584 portal, or other protected electronic location that is 585 inaccessible to the general public and accessible only to unit 586 owners and employees of the association.

587 c. Upon a unit owner's written request, the association 588 must provide the unit owner with a username and password and 589 access to the protected sections of the association's website or 590 application which contain any notices, records, or documents



591 that must be electronically provided.
592 2. A current copy of the following documents must be posted
593 in digital format on the association's website or application:

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

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

c. The articles of incorporation of the association, or other documents creating the association, and each amendment to the articles of incorporation or other documents. The copy posted pursuant to this sub-subparagraph must be a copy of the articles of incorporation filed with the Department of State.

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d. The rules of the association.

605 e. A list of all executory contracts or documents to which 606 the association is a party or under which the association or the 607 unit owners have an obligation or responsibility and, after 608 bidding for the related materials, equipment, or services has 609 closed, a list of bids received by the association within the 610 past year. Summaries of bids for materials, equipment, or 611 services which exceed \$500 must be maintained on the website or 612 application for 1 year. In lieu of summaries, complete copies of 613 the bids may be posted.

614 f. The annual budget required by s. 718.112(2)(f) and any615 proposed budget to be considered at the annual meeting.

616 g. The financial report required by subsection (13) and any 617 monthly income or expense statement to be considered at a 618 meeting.

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h. The certification of each director required by s.



620 718.112(2)(d)4.b.

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.
468.4335, 468.436(2) (b) 6., and 718.3027(3).

629 k. The notice of any unit owner meeting and the agenda for 630 the meeting, as required by s. 718.112(2)(d)3., no later than 14 631 days before the meeting. The notice must be posted in plain view 632 on the front page of the website or application, or on a 633 separate subpage of the website or application labeled "Notices" 634 which is conspicuously visible and linked from the front page. The association must also post on its website or application any 635 636 document to be considered and voted on by the owners during the 637 meeting or any document listed on the agenda at least 7 days 638 before the meeting at which the document or the information 639 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).

644 m. The inspection reports described in ss. 553.899 and 645 718.301(4)(p) and any other inspection report relating to a 646 structural or life safety inspection of condominium property.

647 n. The association's most recent structural integrity648 reserve study, if applicable.

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## 649 <u>o. Copies of all building permits issued for ongoing or</u> 650 <u>planned construction.</u>

3. The association shall ensure that the information and 651 652 records described in paragraph (c), which are not allowed to be 653 accessible to unit owners, are not posted on the association's 654 website or application. If protected information or information 655 restricted from being accessible to unit owners is included in 656 documents that are required to be posted on the association's 657 website or application, the association shall ensure the 658 information is redacted before posting the documents. 659 Notwithstanding the foregoing, the association or its agent is 660 not liable for disclosing information that is protected or 661 restricted under this paragraph unless such disclosure was made 662 with a knowing or intentional disregard of the protected or 663 restricted nature of such information.

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

668 (13) FINANCIAL REPORTING.-Within 90 days after the end of 669 the fiscal year, or annually on a date provided in the bylaws, 670 the association shall prepare and complete, or contract for the 671 preparation and completion of, a financial report for the 672 preceding fiscal year. Within 21 days after the final financial 673 report is completed by the association or received from the 674 third party, but not later than 120 days after the end of the 675 fiscal year or other date as provided in the bylaws, the 676 association shall deliver mail to each unit owner, by United 677 States mail or personal delivery at the mailing address,

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678 property address, e-mail address, or facsimile number provided 679 to fulfill the association's notice requirements at the address last furnished to the association by the unit owner, or hand 680 681 deliver to each unit owner, a copy of the most recent financial 682 report or a notice that a copy of the most recent financial 683 report will be mailed or hand delivered to the unit owner, 684 without charge, within 5 business days after receipt of a 685 written request from the unit owner. The division shall adopt 686 rules setting forth uniform accounting principles and standards 687 to be used by all associations and addressing the financial 688 reporting requirements for multicondominium associations. The 689 rules must include, but not be limited to, standards for 690 presenting a summary of association reserves, including a good 691 faith estimate disclosing the annual amount of reserve funds 692 that would be necessary for the association to fully fund 693 reserves for each reserve item based on the straight-line 694 accounting method. This disclosure is not applicable to reserves 695 funded via the pooling method. In adopting such rules, the 696 division shall consider the number of members and annual 697 revenues of an association. Financial reports shall be prepared 698 as follows:

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

1. An association with total annual revenues of \$150,000 or more, but less than \$300,000, shall prepare compiled financial statements.

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

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

(b)1. An association with total annual revenues of less than \$150,000 shall prepare a report of cash receipts and expenditures.

715 2. A report of cash receipts and disbursements must 716 disclose the amount of receipts by accounts and receipt classifications and the amount of expenses by accounts and expense classifications, including, but not limited to, the following, as applicable: costs for security, professional and management fees and expenses, taxes, costs for recreation facilities, expenses for refuse collection and utility services, expenses for lawn care, costs for building maintenance and repair, insurance costs, administration and salary expenses, and reserves accumulated and expended for capital expenditures, planned deferred maintenance, and any other category for which the association maintains reserves.

(c) An association may prepare, without a meeting of or approval by the unit owners:

1. Compiled, reviewed, or audited financial statements, if the association is required to prepare a report of cash receipts and expenditures;

2. Reviewed or audited financial statements, if the association is required to prepare compiled financial statements; or

3. Audited financial statements if the association is

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736 required to prepare reviewed financial statements. 737 (d) If approved by a majority of the voting interests 738 present at a properly called meeting of the association, an 739 association may prepare: 740 1. A report of cash receipts and expenditures in lieu of a 741 compiled, reviewed, or audited financial statement; 742 2. A report of cash receipts and expenditures or a compiled financial statement in lieu of a reviewed or audited financial 743 744 statement; or 745 3. A report of cash receipts and expenditures, a compiled 746 financial statement, or a reviewed financial statement in lieu 747 of an audited financial statement. 748 749 Such meeting and approval must occur before the end of the 750 fiscal year and is effective only for the fiscal year in which 751 the vote is taken. An association may not prepare a financial 752 report pursuant to this paragraph for consecutive fiscal years  $\tau$ 753 except that the approval may also be effective for the following 754 fiscal year. If the developer has not turned over control of the 755 association, all unit owners, including the developer, may vote 756 on issues related to the preparation of the association's 757 financial reports, from the date of incorporation of the 758 association through the end of the second fiscal year after the 759 fiscal year in which the certificate of a surveyor and mapper is 760 recorded pursuant to s. 718.104(4)(e) or an instrument that 761 transfers title to a unit in the condominium which is not 762 accompanied by a recorded assignment of developer rights in 763 favor of the grantee of such unit is recorded, whichever occurs 764 first. Thereafter, all unit owners except the developer may vote

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765 on such issues until control is turned over to the association 766 by the developer. Any audit or review prepared under this 767 section shall be paid for by the developer if done before 768 turnover of control of the association.

769 (e) A unit owner may provide written notice to the division 770 of the association's failure to mail or hand deliver him or her 771 a copy of the most recent financial report within 5 business 772 days after he or she submitted a written request to the 773 association for a copy of such report. If the division 774 determines that the association failed to mail or hand deliver a 775 copy of the most recent financial report to the unit owner, the 776 division shall provide written notice to the association that 777 the association must mail or hand deliver a copy of the most 778 recent financial report to the unit owner and the division 779 within 5 business days after it receives such notice from the 780 division. An association that fails to comply with the 781 division's request may not waive the financial reporting 782 requirement provided in paragraph (d) for the fiscal year in 783 which the unit owner's request was made and the following fiscal 784 year. A financial report received by the division pursuant to 785 this paragraph shall be maintained, and the division shall 786 provide a copy of such report to an association member upon his 787 or her request.

(15) DEBIT CARDS.-

(a) An association and its officers, directors, employees,
and agents may not use a debit card issued in the name of the
association, or billed directly to the association, for the
payment of any association expense.

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(b) <u>A person who uses</u> <del>Use of</del> a debit card issued in the

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794 name of the association, or billed directly to the association, 795 for any expense that is not a lawful obligation of the 796 association commits theft under s. 812.014. For the purposes of 797 this paragraph, the term "lawful obligation of the association" 798 means an obligation that has been properly preapproved by the 799 board and is reflected in the meeting minutes or the written 800 budget may be prosecuted as credit card fraud pursuant to s. 817.61. 801 802 Section 9. Effective January 1, 2026, paragraph (g) of 803 subsection (12) of section 718.111, Florida Statutes, as amended 804 by this act, is amended to read: 805 718.111 The association.-806 (12) OFFICIAL RECORDS.-807 (g)1. By January 1, 2019, An association managing a 808 condominium with 25 150 or more units which does not contain 809 timeshare units shall post digital copies of the documents specified in subparagraph 2. on its website or make such 810 811 documents available through an application that can be 812 downloaded on a mobile device. 813 a. The association's website or application must be: 814 (I) An independent website, application, or web portal wholly owned and operated by the association; or 815 816 (II) A website, application, or web portal operated by a 817 third-party provider with whom the association owns, leases, 818 rents, or otherwise obtains the right to operate a web page, 819 subpage, web portal, collection of subpages or web portals, or 820 an application which is dedicated to the association's 821 activities and on which required notices, records, and documents 822 may be posted or made available by the association.

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823 b. The association's website or application must be 824 accessible through the Internet and must contain a subpage, web 825 portal, or other protected electronic location that is 826 inaccessible to the general public and accessible only to unit owners and employees of the association. 827 828 c. Upon a unit owner's written request, the association 829 must provide the unit owner with a username and password and 830 access to the protected sections of the association's website or 831 application which contain any notices, records, or documents 832 that must be electronically provided. 833 2. A current copy of the following documents must be posted 834 in digital format on the association's website or application: 835 a. The recorded declaration of condominium of each 836 condominium operated by the association and each amendment to 837 each declaration. b. The recorded bylaws of the association and each 838 839 amendment to the bylaws. 840 c. The articles of incorporation of the association, or 841 other documents creating the association, and each amendment to 842 the articles of incorporation or other documents. The copy 843 posted pursuant to this sub-subparagraph must be a copy of the 844 articles of incorporation filed with the Department of State. d. The rules of the association. 845 e. A list of all executory contracts or documents to which 846 847 the association is a party or under which the association or the 848 unit owners have an obligation or responsibility and, after 849 bidding for the related materials, equipment, or services has

bidding for the related materials, equipment, or services has closed, a list of bids received by the association within the past year. Summaries of bids for materials, equipment, or

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852 services which exceed \$500 must be maintained on the website or 853 application for 1 year. In lieu of summaries, complete copies of 854 the bids may be posted.

855 f. The annual budget required by s. 718.112(2)(f) and any 856 proposed budget to be considered at the annual meeting.

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

860 h. The certification of each director required by s. 861 718.112(2)(d)4.b.

i. All contracts or transactions between the association 863 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. 468.4335, 468.436(2)(b)6., and 718.3027(3).

870 k. The notice of any unit owner meeting and the agenda for 871 the meeting, as required by s. 718.112(2)(d)3., no later than 14 872 days before the meeting. The notice must be posted in plain view 873 on the front page of the website or application, or on a 874 separate subpage of the website or application labeled "Notices" 875 which is conspicuously visible and linked from the front page. 876 The association must also post on its website or application any 877 document to be considered and voted on by the owners during the 878 meeting or any document listed on the agenda at least 7 days 879 before the meeting at which the document or the information 880 within the document will be considered.

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881 1. Notice of any board meeting, the agenda, and any other 882 document required for the meeting as required by s. 883 718.112(2)(c), which must be posted no later than the date 884 required for notice under s. 718.112(2)(c). 885 m. The inspection reports described in ss. 553.899 and 886 718.301(4)(p) and any other inspection report relating to a structural or life safety inspection of condominium property. 887 888 n. The association's most recent structural integrity 889 reserve study, if applicable. 890 o. Copies of all building permits issued for ongoing or 891 planned construction. 892 3. The association shall ensure that the information and 893 records described in paragraph (c), which are not allowed to be 894 accessible to unit owners, are not posted on the association's 895 website or application. If protected information or information 896 restricted from being accessible to unit owners is included in 897 documents that are required to be posted on the association's 898 website or application, the association shall ensure the 899 information is redacted before posting the documents. 900 Notwithstanding the foregoing, the association or its agent is 901 not liable for disclosing information that is protected or 902 restricted under this paragraph unless such disclosure was made 903 with a knowing or intentional disregard of the protected or restricted nature of such information. 904

905 4. The failure of the association to post information 906 required under subparagraph 2. is not in and of itself 907 sufficient to invalidate any action or decision of the 908 association's board or its committees.

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Section 10. Paragraphs (c), (d), (f), (g), and (q) of

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910 subsection (2) of section 718.112, Florida Statutes, are 911 amended, and paragraph (r) is added to that section, to read: 912 718.112 Bylaws.-

913 (2) REQUIRED PROVISIONS.—The bylaws shall provide for the 914 following and, if they do not do so, shall be deemed to include 915 the following:

916 (c) Board of administration meetings.-In a residential 917 condominium association of more than 10 units, the board of administration shall meet at least once each quarter. At least 918 919 four times each year, the meeting agenda must include an 920 opportunity for members to ask questions. Meetings of the board 921 of administration at which a quorum of the members is present 922 are open to all unit owners. Members of the board of 923 administration may use e-mail as a means of communication but 924 may not cast a vote on an association matter via e-mail. A unit 925 owner may tape record or videotape the meetings. The right to 926 attend such meetings includes the right to speak at such 927 meetings with reference to all designated agenda items, and the 928 right to ask questions with respect to reports on the status of 929 construction or repair projects, status of revenues and 930 expenditures during the current fiscal year, and other issues 931 affecting the condominium. The division shall adopt reasonable 932 rules governing the tape recording and videotaping of the 933 meeting. The association may adopt written reasonable rules 934 governing the frequency, duration, and manner of unit owner 935 statements.

936 1. Adequate notice of all board meetings, which must
937 specifically identify all agenda items, must be posted
938 conspicuously on the condominium property at least 48 continuous

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939 hours before the meeting except in an emergency. If 20 percent 940 of the voting interests petition the board to address an item of 941 business, the board, within 60 days after receipt of the 942 petition, shall place the item on the agenda at its next regular 943 board meeting or at a special meeting called for that purpose. 944 An item not included on the notice may be taken up on an 945 emergency basis by a vote of at least a majority plus one of the 946 board members. Such emergency action must be noticed and ratified at the next regular board meeting. Written notice of a 947 948 meeting at which a nonemergency special assessment or an 949 amendment to rules regarding unit use will be considered must be 950 mailed, delivered, or electronically transmitted to the unit 951 owners and posted conspicuously on the condominium property at 952 least 14 days before the meeting. Evidence of compliance with 953 this 14-day notice requirement must be made by an affidavit 954 executed by the person providing the notice and filed with the 955 official records of the association. Notice of any meeting in 956 which regular or special assessments against unit owners are to 957 be considered must specifically state that assessments will be 958 considered and provide the estimated cost and description of the 959 purposes for such assessments.

2. Upon notice to the unit owners, the board shall, by duly 960 961 adopted rule, designate a specific location on the condominium 962 property where all notices of board meetings must be posted. If 963 there is no condominium property where notices can be posted, 964 notices shall be mailed, delivered, or electronically 965 transmitted to each unit owner at least 14 days before the 966 meeting. In lieu of or in addition to the physical posting of 967 the notice on the condominium property, the association may, by

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968 reasonable rule, adopt a procedure for conspicuously posting and 969 repeatedly broadcasting the notice and the agenda on a closedcircuit cable television system serving the condominium 970 971 association. However, if broadcast notice is used in lieu of a 972 notice physically posted on condominium property, the notice and 973 agenda must be broadcast at least four times every broadcast 974 hour of each day that a posted notice is otherwise required 975 under this section. If broadcast notice is provided, the notice 976 and agenda must be broadcast in a manner and for a sufficient 977 continuous length of time so as to allow an average reader to 978 observe the notice and read and comprehend the entire content of 979 the notice and the agenda. In addition to any of the authorized 980 means of providing notice of a meeting of the board, the 981 association may, by rule, adopt a procedure for conspicuously 982 posting the meeting notice and the agenda on a website serving 983 the condominium association for at least the minimum period of 984 time for which a notice of a meeting is also required to be 985 physically posted on the condominium property. Any rule adopted shall, in addition to other matters, include a requirement that 986 987 the association send an electronic notice in the same manner as 988 a notice for a meeting of the members, which must include a 989 hyperlink to the website where the notice is posted, to unit 990 owners whose e-mail addresses are included in the association's official records. 991

992 <u>3. Notice of any meeting in which regular or special</u> 993 <u>assessments against unit owners are to be considered must</u> 994 <u>specifically state that assessments will be considered and</u> 995 <u>provide the estimated cost and description of the purposes for</u> 996 <u>such assessments. If an agenda item relates to the approval of a</u>

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997 contract for goods or services, a copy of the contract must be 998 provided with the notice, made available for inspection and 999 copying upon a written request from a unit owner, or made 1000 available on the association's website or through an application 1001 that can be downloaded on a mobile device.

4.2. Meetings of a committee to take final action on behalf of the board or make recommendations to the board regarding the association budget are subject to this paragraph. Meetings of a committee that does not take final action on behalf of the board or make recommendations to the board regarding the association budget are subject to this section, unless those meetings are exempted from this section by the bylaws of the association.

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

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

b. Board meetings held for the purpose of discussing personnel matters.

(d) Unit owner meetings.-

1019 1. An annual meeting of the unit owners must be held at the location provided in the association bylaws and, if the bylaws 1021 are silent as to the location, the meeting must be held within 1022 45 miles of the condominium property. However, such distance 1023 requirement does not apply to an association governing a 1024 timeshare condominium.

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2. Unless the bylaws provide otherwise, a vacancy on the



1026 board caused by the expiration of a director's term must be 1027 filled by electing a new board member, and the election must be by secret ballot. An election is not required if the number of 1028 1029 vacancies equals or exceeds the number of candidates. For 1030 purposes of this paragraph, the term "candidate" means an 1031 eligible person who has timely submitted the written notice, as described in sub-subparagraph 4.a., of his or her intention to 1032 1033 become a candidate. Except in a timeshare or nonresidential 1034 condominium, or if the staggered term of a board member does not 1035 expire until a later annual meeting, or if all members' terms 1036 would otherwise expire but there are no candidates, the terms of 1037 all board members expire at the annual meeting, and such members 1038 may stand for reelection unless prohibited by the bylaws. Board 1039 members may serve terms longer than 1 year if permitted by the 1040 bylaws or articles of incorporation. A board member may not 1041 serve more than 8 consecutive years unless approved by an 1042 affirmative vote of unit owners representing two-thirds of all 1043 votes cast in the election or unless there are not enough 1044 eligible candidates to fill the vacancies on the board at the 1045 time of the vacancy. Only board service that occurs on or after 1046 July 1, 2018, may be used when calculating a board member's term 1047 limit. If the number of board members whose terms expire at the 1048 annual meeting equals or exceeds the number of candidates, the 1049 candidates become members of the board effective upon the 1050 adjournment of the annual meeting. Unless the bylaws provide otherwise, any remaining vacancies shall be filled by the 1051 1052 affirmative vote of the majority of the directors making up the 1053 newly constituted board even if the directors constitute less 1054 than a quorum or there is only one director. In a residential

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1055 condominium association of more than 10 units or in a 1056 residential condominium association that does not include 1057 timeshare units or timeshare interests, co-owners of a unit may 1058 not serve as members of the board of directors at the same time 1059 unless they own more than one unit or unless there are not 1060 enough eligible candidates to fill the vacancies on the board at 1061 the time of the vacancy. A unit owner in a residential 1062 condominium desiring to be a candidate for board membership must 1063 comply with sub-subparagraph 4.a. and must be eligible to be a 1064 candidate to serve on the board of directors at the time of the 1065 deadline for submitting a notice of intent to run in order to 1066 have his or her name listed as a proper candidate on the ballot 1067 or to serve on the board. A person who has been suspended or 1068 removed by the division under this chapter, or who is delinquent 1069 in the payment of any assessment due to the association, is not 1070 eligible to be a candidate for board membership and may not be 1071 listed on the ballot. For purposes of this paragraph, a person 1072 is delinquent if a payment is not made by the due date as 1073 specifically identified in the declaration of condominium, 1074 bylaws, or articles of incorporation. If a due date is not 1075 specifically identified in the declaration of condominium, 1076 bylaws, or articles of incorporation, the due date is the first 1077 day of the assessment period. A person who has been convicted of 1078 any felony in this state or in a United States District or 1079 Territorial Court, or who has been convicted of any offense in 1080 another jurisdiction which would be considered a felony if 1081 committed in this state, is not eligible for board membership 1082 unless such felon's civil rights have been restored for at least 5 years as of the date such person seeks election to the board. 1083

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1084 The validity of an action by the board is not affected if it is 1085 later determined that a board member is ineligible for board 1086 membership due to having been convicted of a felony. This 1087 subparagraph does not limit the term of a member of the board of 1088 a nonresidential or timeshare condominium.

3. The bylaws must provide the method of calling meetings 1089 1090 of unit owners, including annual meetings. Written notice of an 1091 annual meeting must include an agenda; be mailed, hand 1092 delivered, or electronically transmitted to each unit owner at 1093 least 14 days before the annual meeting; and be posted in a 1094 conspicuous place on the condominium property or association 1095 property at least 14 continuous days before the annual meeting. 1096 Written notice of a meeting other than an annual meeting must 1097 include an agenda; be mailed, hand delivered, or electronically 1098 transmitted to each unit owner; and be posted in a conspicuous 1099 place on the condominium property or association property within 1100 the timeframe specified in the bylaws. If the bylaws do not 1101 specify a timeframe for written notice of a meeting other than 1102 an annual meeting, notice must be provided at least 14 1103 continuous days before the meeting. Upon notice to the unit 1104 owners, the board shall, by duly adopted rule, designate a 1105 specific location on the condominium property or association 1106 property where all notices of unit owner meetings must be 1107 posted. This requirement does not apply if there is no 1108 condominium property for posting notices. In lieu of, or in 1109 addition to, the physical posting of meeting notices, the 1110 association may, by reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and 1111 the agenda on a closed-circuit cable television system serving 1112

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1113 the condominium association. However, if broadcast notice is 1114 used in lieu of a notice posted physically on the condominium 1115 property, the notice and agenda must be broadcast at least four 1116 times every broadcast hour of each day that a posted notice is 1117 otherwise required under this section. If broadcast notice is 1118 provided, the notice and agenda must be broadcast in a manner 1119 and for a sufficient continuous length of time so as to allow an 1120 average reader to observe the notice and read and comprehend the 1121 entire content of the notice and the agenda. In addition to any 1122 of the authorized means of providing notice of a meeting of the 1123 board, the association may, by rule, adopt a procedure for 1124 conspicuously posting the meeting notice and the agenda on a 1125 website serving the condominium association for at least the 1126 minimum period of time for which a notice of a meeting is also 1127 required to be physically posted on the condominium property. 1128 Any rule adopted shall, in addition to other matters, include a 1129 requirement that the association send an electronic notice in the same manner as a notice for a meeting of the members, which 1130 1131 must include a hyperlink to the website where the notice is 1132 posted, to unit owners whose e-mail addresses are included in 1133 the association's official records. Unless a unit owner waives 1134 in writing the right to receive notice of the annual meeting, 1135 such notice must be hand delivered, mailed, or electronically 1136 transmitted to each unit owner. Notice for meetings and notice 1137 for all other purposes must be mailed to each unit owner at the 1138 address last furnished to the association by the unit owner, or 1139 hand delivered to each unit owner. However, if a unit is owned 1140 by more than one person, the association must provide notice to 1141 the address that the developer identifies for that purpose and

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1142 thereafter as one or more of the owners of the unit advise the association in writing, or if no address is given or the owners 1143 1144 of the unit do not agree, to the address provided on the deed of 1145 record. An officer of the association, or the manager or other 1146 person providing notice of the association meeting, must provide 1147 an affidavit or United States Postal Service certificate of mailing, to be included in the official records of the 1148 association affirming that the notice was mailed or hand 1149 1150 delivered in accordance with this provision.

1151 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.

1158 a. At least 60 days before a scheduled election, the 1159 association shall mail, deliver, or electronically transmit, by 1160 separate association mailing or included in another association 1161 mailing, delivery, or transmission, including regularly 1162 published newsletters, to each unit owner entitled to a vote, a 1163 first notice of the date of the election. A unit owner or other 1164 eligible person desiring to be a candidate for the board must 1165 give written notice of his or her intent to be a candidate to 1166 the association at least 40 days before a scheduled election. Together with the written notice and agenda as set forth in 1167 1168 subparagraph 3., the association shall mail, deliver, or electronically transmit a second notice of the election to all 1169 1170 unit owners entitled to vote, together with a ballot that lists

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1171 all candidates not less than 14 days or more than 34 days before 1172 the date of the election. Upon request of a candidate, an 1173 information sheet, no larger than 8 1/2 inches by 11 inches, 1174 which must be furnished by the candidate at least 35 days before 1175 the election, must be included with the mailing, delivery, or 1176 transmission of the ballot, with the costs of mailing, delivery, or electronic transmission and copying to be borne by the 1177 1178 association. The association is not liable for the contents of 1179 the information sheets prepared by the candidates. In order to 1180 reduce costs, the association may print or duplicate the 1181 information sheets on both sides of the paper. The division 1182 shall by rule establish voting procedures consistent with this 1183 sub-subparagraph, including rules establishing procedures for 1184 giving notice by electronic transmission and rules providing for 1185 the secrecy of ballots. Elections shall be decided by a 1186 plurality of ballots cast. There is no quorum requirement; 1187 however, at least 20 percent of the eligible voters must cast a ballot in order to have a valid election. A unit owner may not 1188 1189 authorize any other person to vote his or her ballot, and any 1190 ballots improperly cast are invalid. A unit owner who violates 1191 this provision may be fined by the association in accordance with s. 718.303. A unit owner who needs assistance in casting 1192 1193 the ballot for the reasons stated in s. 101.051 may obtain such 1194 assistance. The regular election must occur on the date of the 1195 annual meeting. Notwithstanding this sub-subparagraph, an 1196 election is not required unless more candidates file notices of 1197 intent to run or are nominated than board vacancies exist.

1198b. A director of a Within 90 days after being elected or1199appointed to the board of an association of a residential

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1200 condominium, each newly elected or appointed director shall: 1201 (I) Certify in writing to the secretary of the association 1202 that he or she has read the association's declaration of 1203 condominium, articles of incorporation, bylaws, and current 1204 written policies; that he or she will work to uphold such 1205 documents and policies to the best of his or her ability; and that he or she will faithfully discharge his or her fiduciary responsibility to the association's members. In lieu of this written certification, within 90 days after being elected or appointed to the board, the newly elected or appointed director mav

(II) Submit to the secretary of the association a certificate of having satisfactorily completed the educational curriculum administered by a division-approved condominium education provider within 1 year before or 90 days after the date of election or appointment. The education curriculum must be least 4 hours long and address director and officer fiduciary duty, milestone inspections under s. 553.899, structural integrity reserve studies, and at least four of the following topics: budgets and reserves, elections, financial reporting, condominium operations, records maintenance, including unit owner access to records, dispute resolution, and bids and contracts.

Each newly elected or appointed director must submit the written certification and educational certificate to the secretary of the association within 1 year before being elected or appointed or within 90 days after the date of election or appointment. A director of an association of a residential condominium who was

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1229 elected or appointed before July 1, 2024, shall comply with the 1230 written certification and educational certificate requirements in this sub-subparagraph by June 30, 2025. The written 1231 1232 certification and <del>or</del> educational certificate is valid for 7 1233 years from the date of issuance and does not have to be 1234 resubmitted as long as the director serves on the board without 1235 interruption during the 7-year period. A director who is 1236 appointed by the developer may satisfy the educational 1237 certificate requirement in sub-subparagraph (II) for any 1238 subsequent appointment to a board by a developer within 7 years 1239 after the date of issuance of the most recent educational 1240 certificate, including any interruption of service on a board or 1241 an appointment to a board in another association within that 7-1242 year period. Additionally, one year after submission of the most 1243 recent written certification and educational certificate, and annually thereafter, a director of an association of a 1244 1245 residential condominium must submit to the secretary of the 1246 association a certificate of having satisfactorily completed an 1247 educational curriculum administered by a division-approved 1248 condominium education provider, relating to any recent changes 1249 to this chapter and the related administrative rules during the 1250 past year. The cost of a required educational curriculum and 1251 certificate is an expense of the association which the 1252 association may pay on behalf of the director or reimburse the 1253 director for his or her expense. A director of an association of 1254 a residential condominium who fails to timely file the written 1255 certification and or educational certificate is suspended from 1256 service on the board until he or she complies with this sub-1257 subparagraph. The board may temporarily fill the vacancy during



1258 the period of suspension. The secretary shall cause the 1259 association to retain a director's written certification and or 1260 educational certificate for inspection by the members for <u>7</u> <del>5</del> 1261 years after a director's election or the duration of the 1262 director's uninterrupted tenure, whichever is longer. Failure to 1263 have such written certification and or educational certificate 1264 on file does not affect the validity of any board action.

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

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

6. Unit owners may waive notice of specific meetings if allowed by the applicable bylaws or declaration or any law. Notice of meetings of the board of administration; unit owner meetings, except unit owner meetings called to recall board members under paragraph (1); and committee meetings may be given by electronic transmission to unit owners who consent to receive notice by electronic transmission. A unit owner who consents to receiving notices by electronic transmission is solely responsible for removing or bypassing filters that block receipt of mass e-mails sent to members on behalf of the association in

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1287 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.

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

9. Unless otherwise provided in the bylaws, any vacancy 1295 1296 occurring on the board before the expiration of a term may be 1297 filled by the affirmative vote of the majority of the remaining 1298 directors, even if the remaining directors constitute less than 1299 a quorum, or by the sole remaining director. In the alternative, 1300 a board may hold an election to fill the vacancy, in which case 1301 the election procedures must conform to sub-subparagraph 4.a. 1302 unless the association governs 10 units or fewer and has opted 1303 out of the statutory election process, in which case the bylaws 1304 of the association control. Unless otherwise provided in the 1305 bylaws, a board member appointed or elected under this section 1306 shall fill the vacancy for the unexpired term of the seat being 1307 filled. Filling vacancies created by recall is governed by 1308 paragraph (1) and rules adopted by the division.

1309 10. This chapter does not limit the use of general or 1310 limited proxies, require the use of general or limited proxies, 1311 or require the use of a written ballot or voting machine for any 1312 agenda item or election at any meeting of a timeshare 1313 condominium association or nonresidential condominium 1314 association.

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1316 Notwithstanding subparagraph (b)2. and sub-subparagraph 4.a., an 1317 association of 10 or fewer units may, by affirmative vote of a majority of the total voting interests, provide for different 1318 1319 voting and election procedures in its bylaws, which may be by a 1320 proxy specifically delineating the different voting and election 1321 procedures. The different voting and election procedures may 1322 provide for elections to be conducted by limited or general 1323 proxy.

(f) Annual budget.-

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1325 1. The proposed annual budget of estimated revenues and 1326 expenses must be detailed and must show the amounts budgeted by 1327 accounts and expense classifications, including, at a minimum, 1328 any applicable expenses listed in s. 718.504(21). The board 1329 shall adopt the annual budget at least 14 days before the start 1330 of the association's fiscal year. In the event that the board 1331 fails to timely adopt the annual budget a second time, it is 1332 deemed a minor violation and the prior year's budget shall 1333 continue in effect until a new budget is adopted. A 1334 multicondominium association must adopt a separate budget of 1335 common expenses for each condominium the association operates 1336 and must adopt a separate budget of common expenses for the 1337 association. In addition, if the association maintains limited 1338 common elements with the cost to be shared only by those 1339 entitled to use the limited common elements as provided for in 1340 s. 718.113(1), the budget or a schedule attached to it must show 1341 the amount budgeted for this maintenance. If, after turnover of 1342 control of the association to the unit owners, any of the expenses listed in s. 718.504(21) are not applicable, they do 1343 1344 not need to be listed.



2.a. In addition to annual operating expenses, the budget

must include reserve accounts for capital expenditures and planned deferred maintenance. These accounts must include, but are not limited to, roof replacement, building painting, and pavement resurfacing, regardless of the amount of planned deferred maintenance expense or replacement cost, and any other item that has a planned deferred maintenance expense or replacement cost that exceeds \$10,000. The amount to be reserved must be computed using a formula based upon estimated remaining useful life and estimated replacement cost or planned deferred maintenance expense of the reserve item. In a budget adopted by an association that is required to obtain a structural integrity reserve study, reserves must be maintained for the items identified in paragraph (g) for which the association is responsible pursuant to the declaration of condominium, and the reserve amount for such items must be based on the findings and recommendations of the association's most recent structural integrity reserve study. With respect to items for which an estimate of useful life is not readily ascertainable or with an estimated remaining useful life of greater than 25 years, an association is not required to reserve replacement costs for such items, but an association must reserve the amount of planned deferred maintenance expense, if any, which is recommended by the structural integrity reserve study for such items. The association may adjust replacement reserve assessments annually to take into account an inflation adjustment and any changes in estimates or extension of the useful life of a reserve item caused by planned <del>deferred</del> maintenance. The members of a unit-owner-controlled association

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1374 may determine, by a majority vote of the total voting interests 1375 of the association, to provide no reserves or less reserves than 1376 required by this subsection. For a budget adopted on or after 1377 December 31, 2024, the members of a unit-owner-controlled 1378 association that must obtain a structural integrity reserve 1379 study may not determine to provide no reserves or less reserves 1380 than required by this subsection for items listed in paragraph 1381 (q), except that members of an association operating a 1382 multicondominium may determine to provide no reserves or less 1383 reserves than required by this subsection if an alternative 1384 funding method has been approved by the division. If the local 1385 building official, as defined in s. 468.603, determines that the 1386 entire condominium building is uninhabitable due to a natural 1387 emergency, as defined in s. 252.34, the board, upon the approval 1388 of a majority of its members, may pause the contribution to its 1389 reserves or reduce reserve funding until the local building 1390 official determines that the condominium building is habitable. 1391 Any reserve account funds held by the association may be 1392 expended, pursuant to the board's determination, to make the 1393 condominium building and its structures habitable. Upon the 1394 determination by the local building official that the 1395 condominium building and its structures are habitable, the 1396 association must immediately resume contributing funds to its 1397 reserves.

b. Before turnover of control of an association by a
developer to unit owners other than a developer under s.
718.301, the developer-controlled association may not vote to
waive the reserves or reduce funding of the reserves. If a
meeting of the unit owners has been called to determine whether



1403 to waive or reduce the funding of reserves and no such result is 1404 achieved or a quorum is not attained, the reserves included in 1405 the budget shall go into effect. After the turnover, the 1406 developer may vote its voting interest to waive or reduce the 1407 funding of reserves.

1408 3. Reserve funds and any interest accruing thereon shall 1409 remain in the reserve account or accounts, and may be used only 1410 for authorized reserve expenditures unless their use for other 1411 purposes is approved in advance by a majority vote of all the 1412 total voting interests of the association. Before turnover of 1413 control of an association by a developer to unit owners other 1414 than the developer pursuant to s. 718.301, the developer-1415 controlled association may not vote to use reserves for purposes 1416 other than those for which they were intended. For a budget 1417 adopted on or after December 31, 2024, members of a unit-owner-1418 controlled association that must obtain a structural integrity 1419 reserve study may not vote to use reserve funds, or any interest accruing thereon, for any other purpose other than the 1420 1421 replacement or planned deferred maintenance costs of the 1422 components listed in paragraph (g).

1423 4. The only voting interests that are eligible to vote on 1424 questions that involve waiving or reducing the funding of 1425 reserves, or using existing reserve funds for purposes other 1426 than purposes for which the reserves were intended, are the 1427 voting interests of the units subject to assessment to fund the 1428 reserves in question. Proxy questions relating to waiving or 1429 reducing the funding of reserves or using existing reserve funds 1430 for purposes other than purposes for which the reserves were intended must contain the following statement in capitalized, 1431

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1432 bold letters in a font size larger than any other used on the 1433 face of the proxy ballot: WAIVING OF RESERVES, IN WHOLE OR IN 1434 PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY 1435 RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED 1436 SPECIAL ASSESSMENTS REGARDING THOSE ITEMS. 1437 (g) Structural integrity reserve study.-1. A residential condominium association must have a 1438 1439 structural integrity reserve study completed at least every 10 1440 years after the condominium's creation for each building on the 1441 condominium property that is three stories or higher in height, 1442 as determined by the Florida Building Code, which includes, at a 1443 minimum, a study of the following items as related to the 1444 structural integrity and safety of the building: 1445 a. Roof. 1446 b. Structure, including load-bearing walls and other 1447 primary structural members and primary structural systems as those terms are defined in s. 627.706. 1448 1449 c. Fireproofing and fire protection systems. 1450 d. Plumbing. 1451 e. Electrical systems. 1452 f. Waterproofing and exterior painting. 1453 g. Windows and exterior doors. 1454 h. Any other item that has a planned deferred maintenance 1455 expense or replacement cost that exceeds \$10,000 and the failure 1456 to replace or maintain such item negatively affects the items listed in sub-subparagraphs a.-g., as determined by the visual 1457 inspection portion of the structural integrity reserve study. 1458 1459 2. A structural integrity reserve study is based on a 1460 visual inspection of the condominium property. A structural



1461 integrity reserve study may be performed by any person qualified 1462 to perform such study. However, the visual inspection portion of the structural integrity reserve study must be performed or 1463 1464 verified by an engineer licensed under chapter 471, an architect 1465 licensed under chapter 481, or a person certified as a reserve 1466 specialist or professional reserve analyst by the Community 1467 Associations Institute or the Association of Professional 1468 Reserve Analysts.

1469 3. At a minimum, a structural integrity reserve study must 1470 identify each item of the condominium property being visually 1471 inspected, state the estimated remaining useful life and the 1472 estimated replacement cost or planned deferred maintenance 1473 expense of each item of the condominium property being visually 1474 inspected, and provide a reserve funding schedule with a 1475 recommended annual reserve amount that achieves the estimated 1476 replacement cost or planned deferred maintenance expense of each 1477 item of condominium property being visually inspected by the end 1478 of the estimated remaining useful life of the item. The 1479 structural integrity reserve study may recommend that reserves do not need to be maintained for any item for which an estimate 1480 1481 of useful life and an estimate of replacement cost cannot be 1482 determined, or the study may recommend a planned deferred 1483 maintenance expense amount for such item. The structural 1484 integrity reserve study may recommend that reserves for 1485 replacement costs do not need to be maintained for any item with 1486 an estimated remaining useful life of greater than 25 years, but 1487 the study may recommend a planned deferred maintenance expense amount for such item. If the condominium building or units are 1488 unsafe and uninhabitable due to substantial damage or loss as 1489

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1490 determined by the local enforcement agency, as defined in s. 1491 533.71(5), and it is in the best interests of the association to 1492 use revenues and existing reserve funds to perform necessary 1493 repairs to make the building safe and habitable, the structural 1494 integrity reserve study may recommend a temporary pause in 1495 reserve funding or reduced reserve funding, but the association 1496 may not pause reserve funding after the building has been 1497 declared safe for occupancy by the local enforcement agency.

4. This paragraph does not apply to buildings less than three stories in height; single-family, two-family, or threefamily, or four-family dwellings with three or fewer habitable stories above ground; any portion or component of a building that has not been submitted to the condominium form of ownership; or any portion or component of a building that is maintained by a party other than the association.

5. Before a developer turns over control of an association to unit owners other than the developer, the developer must have a turnover inspection report in compliance with s. 718.301(4)(p) and (q) for each building on the condominium property that is three stories or higher in height.

1510 6. Associations existing on or before July 1, 2022, which 1511 are controlled by unit owners other than the developer, must 1512 have a structural integrity reserve study completed by December 1513 31, 2024, for each building on the condominium property that is 1514 three stories or higher in height. An association that is 1515 required to complete a milestone inspection in accordance with 1516 s. 553.899 on or before December 31, 2026, may complete the 1517 structural integrity reserve study simultaneously with the milestone inspection. In no event may the structural integrity 1518

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1519 reserve study be completed after December 31, 2026.

1520 7. If the milestone inspection required by s. 553.899, or 1521 an inspection completed for a similar local requirement, was 1522 performed within the past 5 years and meets the requirements of 1523 this paragraph, such inspection may be used in place of the 1524 visual inspection portion of the structural integrity reserve 1525 study.

1526 8. If the officers or directors of an association willfully 1527 and knowingly fail to complete a structural integrity reserve 1528 study pursuant to this paragraph, such failure is a breach of an 1529 officer's and director's fiduciary relationship to the unit 1530 owners under s. 718.111(1).

9. Within 45 days after receiving the structural integrity reserve study, the association must distribute a copy of the study to each unit owner or deliver to each unit owner a notice that the completed study is available for inspection and copying upon a written request. Distribution of a copy of the study or notice must be made by United States mail or personal delivery at the mailing address, property address, or any other address of the owner provided to fulfill the association's notice requirements under this chapter, or by electronic transmission to the e-mail address or facsimile number provided to fulfill the association's notice requirements to unit owners who previously consented to receive notice by electronic transmission.

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(q) Director or officer offenses.-

<u>1.</u> A director or <u>an</u> officer charged by information or indictment with <u>any of the following crimes is deemed removed</u> from office and a vacancy declared:

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| 1548 | a. Forgery of a ballot envelope or voting certificate used                    |
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| 1549 | in a condominium association election as provided in s. 831.01.               |
| 1550 | b. Theft or embezzlement involving the association's funds                    |
| 1551 | or property as provided in s. 812.014.  |
| 1552 | c. Destruction of, or the refusal to allow inspection or                      |
| 1553 | copying of, an official record of a condominium association                   |
| 1554 | which is accessible to unit owners within the time periods                    |
| 1555 | required by general law, in furtherance of any crime. Such act                |
| 1556 | constitutes tampering with physical evidence as provided in s.                |
| 1557 | <u>918.13.</u>  |
| 1558 | d. Obstruction of justice under chapter 843.                                  |
| 1559 | e. Any criminal violation under this chapter.                                 |
| 1560 | 2. The board shall fill the vacancy in accordance with                        |
| 1561 | paragraph (2)(d) a felony theft or embezzlement offense                       |
| 1562 | involving the association's funds or property must be removed                 |
| 1563 | from office, creating a vacancy in the office to be filled                    |
| 1564 | according to law until the end of the period of the suspension                |
| 1565 | or the end of the director's term of office, whichever occurs                 |
| 1566 | first. While such director or officer has such criminal charge                |
| 1567 | pending, he or she may not be appointed or elected to a position              |
| 1568 | as a director or <u>an</u> officer <u>of any association and may not have</u> |
| 1569 | access to the official records of any association, except                     |
| 1570 | pursuant to a court order. However, if the charges are resolved               |
| 1571 | without a finding of guilt, the director or officer shall be                  |
| 1572 | reinstated for the remainder of his or her term of office, if                 |
| 1573 | any.  |
| 1574 | (r) Fraudulent voting activities relating to association                      |
| 1575 | elections; penalties  |
| 1576 | 1. A person who engages in the following acts of fraudulent                   |
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| 1577 | voting activity relating to association elections commits a      |
|------|--|
| 1578 | misdemeanor of the first degree, punishable as provided in s.    |
| 1579 | 775.082 or s. 775.083:   |
| 1580 | a. Willfully and falsely swearing to or affirming an oath        |
| 1581 | or affirmation, or willfully procuring another person to falsely |
| 1582 | swear to or affirm an oath or affirmation, in connection with or |
| 1583 | arising out of voting activities.                                |
| 1584 | b. Perpetrating or attempting to perpetrate, or aiding in        |
| 1585 | the perpetration of, fraud in connection with a vote cast, to be |
| 1586 | cast, or attempted to be cast.                                   |
| 1587 | c. Preventing a member from voting or preventing a member        |
| 1588 | from voting as he or she intended by fraudulently changing or    |
| 1589 | attempting to change a ballot, ballot envelope, vote, or voting  |
| 1590 | certificate of the member.                                       |
| 1591 | d. Menacing, threatening, or using bribery or any other          |
| 1592 | corruption to attempt, directly or indirectly, to influence,     |
| 1593 | deceive, or deter a member when the member is voting.            |
| 1594 | e. Giving or promising, directly or indirectly, anything of      |
| 1595 | value to another member with the intent to buy the vote of that  |
| 1596 | member or another member or to corruptly influence that member   |
| 1597 | or another member in casting his or her vote. This subsection    |
| 1598 | does not apply to any food served which is to be consumed at an  |
| 1599 | election rally or a meeting or to any item of nominal value      |
| 1600 | which is used as an election advertisement, including a campaign |
| 1601 | message designed to be worn by a member.                         |
| 1602 | f. Using or threatening to use, directly or indirectly,          |
| 1603 | force, violence, or intimidation or any tactic of coercion or    |
| 1604 | intimidation to induce or compel a member to vote or refrain     |
| 1605 | from voting in an election or on a particular ballot measure.    |
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| 1606 | 2. Each of the following acts constitutes a misdemeanor of   |
|------|--|
| 1607 | the first degree, punishable as provided in s. 775.082 or s.   |
| 1608 | <u>775.083:</u>  |
| 1609 | a. Knowingly aiding, abetting, or advising a person in the   |
| 1610 | commission of a fraudulent voting activity related to  |
| 1611 | association elections.   |
| 1612 | b. Agreeing, conspiring, combining, or confederating with  |
| 1613 | at least one other person to commit a fraudulent voting activity   |
| 1614 | related to association elections.  |
| 1615 | c. Having knowledge of a fraudulent voting activity related  |
| 1616 | to association elections and giving any aid to the offender with   |
| 1617 | intent that the offender avoid or escape detection, arrest,  |
| 1618 | trial, or punishment.  |
| 1619 |  |
| 1620 | This subparagraph does not apply to a licensed attorney giving   |
| 1621 | legal advice to a client.  |
| 1622 | 3. Any person charged by information or indictment for any   |
| 1623 | of the crimes in this paragraph shall be deemed removed from   |
| 1624 | office and a vacancy declared.   |
| 1625 | Section 11. Subsection (5) of section 718.113, Florida   |
| 1626 | Statutes, is amended to read:  |
| 1627 | 718.113 Maintenance; limitation upon improvement; display  |
| 1628 | of flag; hurricane shutters and protection; display of religious   |
| 1629 | decorations  |
| 1630 | (5) To protect the health, safety, and welfare of the  |
| 1631 | people of this state and to ensure uniformity and consistency in   |
| 1632 | the hurricane protections installed by condominium associations  |
| 1633 | and unit owners, this subsection applies to all residential and  |
| 1634 | mixed-use condominiums in this state, regardless of when the   |
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1635 condominium is created pursuant to the declaration of 1636 condominium. Each board of administration of a residential condominium or mixed-use condominium shall adopt hurricane 1637 1638 protection shutter specifications for each building within each 1639 condominium operated by the association which may shall include 1640 color, style, and other factors deemed relevant by the board. All specifications adopted by the board must comply with the 1641 1642 applicable building code. The installation, maintenance, repair, 1643 replacement, and operation of hurricane protection in accordance 1644 with this subsection is not considered a material alteration or 1645 substantial addition to the common elements or association 1646 property within the meaning of this section.

1647 (a) The board may, subject to s. 718.3026 and the approval 1648 of a majority of voting interests of the residential condominium 1649 or mixed-use condominium, install or require that unit owners 1650 install hurricane shutters, impact glass, code-compliant windows 1651 or doors, or other types of code-compliant hurricane protection 1652 that complies comply with or exceeds exceed the applicable building code. A vote of the unit owners to require the 1653 1654 installation of hurricane protection must be set forth in a 1655 certificate attesting to such vote and include the date that the 1656 hurricane protection must be installed. The board must record 1657 the certificate in the public records of the county where the condominium is located. The certificate must include the 1658 1659 recording data identifying the declaration of condominium and 1660 must be executed in the form required for the execution of a 1661 deed. Once the certificate is recorded, the board must mail or 1662 hand deliver a copy of the recorded certificate to the unit owners at the owners' addresses, as reflected in the records of 1663

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1664 the association. The board may provide a copy of the recorded 1665 certificate by electronic transmission to unit owners who 1666 previously consented to receive notice by electronic 1667 transmission. The failure to record the certificate or send a 1668 copy of the recorded certificate to the unit owners does not 1669 affect the validity or enforceability of the vote of the unit 1670 owners. However, A vote of the unit owners under this paragraph 1671 is not required if the installation, maintenance, repair, and 1672 replacement of the hurricane shutters, impact glass, codecompliant windows or doors, or other types of code-compliant 1673 1674 hurricane protection, or any exterior windows, doors, or other 1675 apertures protected by the hurricane protection, is are the 1676 responsibility of the association pursuant to the declaration of 1677 condominium as originally recorded or as amended, or if the unit 1678 owners are required to install hurricane protection pursuant to 1679 the declaration of condominium as originally recorded or as amended. If hurricane protection or laminated glass or window 1680 1681 film architecturally designed to function as hurricane 1682 protection that complies with or exceeds the current applicable 1683 building code has been previously installed, the board may not install the same type of hurricane shutters, impact glass, code-1684 compliant windows or doors, or other types of code-compliant 1685 1686 hurricane protection or require that unit owners install the 1687 same type of hurricane protection unless the installed hurricane 1688 protection has reached the end of its useful life or unless it 1689 is necessary to prevent damage to the common elements or to a 1690 unit except upon approval by a majority vote of the voting 1691 interests.

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(b) The association is responsible for the maintenance,



1693 repair, and replacement of the hurricane shutters, impact glass, 1694 code-compliant windows or doors, or other types of code-1695 compliant hurricane protection authorized by this subsection if 1696 such property is the responsibility of the association pursuant 1697 to the declaration of condominium. If the hurricane shutters, impact glass, code-compliant windows or doors, or other types of 1698 code-compliant hurricane protection are the responsibility of the unit owners pursuant to the declaration of condominium, the maintenance, repair, and replacement of such items are the responsibility of the unit owner.

(b) (c) The board may operate shutters, impact glass, codecompliant windows or doors, or other types of code-compliant hurricane protection installed pursuant to this subsection without permission of the unit owners only if such operation is necessary to preserve and protect the condominium property <u>or</u> and association property. The installation, replacement, operation, repair, and maintenance of such shutters, impact glass, code-compliant windows or doors, or other types of codecompliant hurricane protection in accordance with the procedures set forth in this paragraph are not a material alteration to the common elements or association property within the meaning of this section.

5 <u>(c) (d)</u> Notwithstanding any other provision in the 7 residential condominium <u>or mixed-use condominium</u> documents, if 8 approval is required by the documents, a board may not refuse to 8 approve the installation or replacement of <del>hurricane shutters,</del> 9 impact glass, code-compliant windows or doors, or other types of 8 code-compliant hurricane protection by a unit owner <u>which</u> 1 <u>conforms</u> <del>conforming</del> to the specifications adopted by the board.

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1722 However, a board may require the unit owner to adhere to an 1723 existing unified building scheme regarding the external 1724 appearance of the condominium. 1725 (d) Unless otherwise provided in a declaration of 1726 condominium recorded in the public record before July 1, 2024, a 1727 unit owner is not responsible for the cost of any removal or reinstallation of hurricane protection, and any exterior window, 1728 1729 door, or other aperture protected by the hurricane protection, 1730 if its removal is necessary for the maintenance, repair, or 1731 replacement of other condominium property or association 1732 property for which the association is responsible. The board 1733 shall determine if the removal or reinstallation of hurricane 1734 protection must be completed by the unit owner or the 1735 association. If such removal or reinstallation is completed by 1736 the association, the costs incurred by the association may not 1737 be charged to the unit owner. If such removal or reinstallation is completed by the unit owner, the association must reimburse 1738 1739 the unit owner for the cost of the removal or reinstallation or 1740 the association must apply the unit owner's cost of removal or 1741 reinstallation as a credit toward future assessments. 1742 (e) If the removal or installation of hurricane protection or of any exterior windows, doors, or other apertures protected 1743 1744 by the hurricane protection are the responsibility of the unit 1745 owner, such removal or installation is completed by the 1746 association, and the association then charges the unit owner for such removal or installation, such charges are enforceable as an 1747 1748 assessment and may be collected in the manner provided under s. 1749 718.116. Section 12. Paragraph (e) of subsection (1) of section 1750

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1751 718.115, Florida Statutes, is amended to read: 1752 718.115 Common expenses and common surplus.-1753 (1)1754 (e)1. Except as provided in s. 718.113(5)(d) The expense of 1755 installation, replacement, operation, repair, and maintenance of 1756 hurricane shutters, impact glass, code-compliant windows or 1757 doors, or other types of code-compliant hurricane protection by the board pursuant to s. 718.113(5) constitutes a common expense 1758 1759 and shall be collected as provided in this section if the 1760 association is responsible for the maintenance, repair, and replacement of the hurricane shutters, impact glass, code-1761 compliant windows or doors, or other types of code-compliant 1762 1763 hurricane protection pursuant to the declaration of condominium. 1764 However, if the installation of maintenance, repair, and 1765 replacement of the hurricane shutters, impact glass, code-1766 compliant windows or doors, or other types of code-compliant 1767 hurricane protection is are the responsibility of the unit owners pursuant to the declaration of condominium or a vote of 1768 1769 the unit owners under s. 718.113(5), the cost of the 1770 installation of the hurricane shutters, impact glass, code-1771 compliant windows or doors, or other types of code-compliant 1772 hurricane protection by the association is not a common expense 1773 and must shall be charged individually to the unit owners based 1774 on the cost of installation of the hurricane shutters, impact 1775 glass, code-compliant windows or doors, or other types of code-1776 compliant hurricane protection appurtenant to the unit. The 1777 costs of installation of hurricane protection are enforceable as 1778 an assessment and may be collected in the manner provided under 1779 s. 718.116.

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2. Notwithstanding s. 718.116(9), and regardless of whether or not the declaration requires the association or unit owners to install, maintain, repair, or replace hurricane shutters, impact glass, code-compliant windows or doors, or other types of code-compliant hurricane protection, the a unit owner of a unit where who has previously installed hurricane shutters in accordance with s. 718.113(5) that comply with the current applicable building code shall receive a credit when the shutters are installed; a unit owner who has previously installed impact glass or code-compliant windows or doors that comply with the current applicable building code shall receive a credit when the impact glass or code-compliant windows or doors are installed; and a unit owner who has installed other types of code-compliant hurricane protection that complies comply with the current applicable building code has been installed is excused from any assessment levied by the association or shall receive a credit if when the same type of other code-compliant hurricane protection is installed by the association, and the credit shall be equal to the pro rata portion of the assessed installation cost assigned to each unit. A credit is applicable if the installation of hurricane protection is for all other units that do not have hurricane protection and the cost of such installation is funded by the association's budget, including the use of reserve funds. The credit must be equal to the amount that the unit owner would have been assessed to install the hurricane protection. However, such unit owner remains responsible for the pro rata share of expenses for hurricane shutters, impact glass, code-compliant windows or doors, or other types of code-compliant hurricane protection installed on

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1809 common elements and association property by the board pursuant 1810 to s. 718.113(5) and remains responsible for a pro rata share of 1811 the expense of the replacement, operation, repair, and 1812 maintenance of such shutters, impact glass, code-compliant 1813 windows or doors, or other types of code-compliant hurricane 1814 protection. Expenses for the installation, replacement, operation, repair, or maintenance of hurricane protection on 1815 1816 common elements and association property are common expenses. 1817 Section 13. Paragraph (a) of subsection (4) of section 1818 718.121, Florida Statutes, is amended to read: 1819 718.121 Liens.-1820 (4) (a) If an association sends out an invoice for 1821 assessments or a unit's statement of the account described in s. 1822 718.111(12)(a)11.c. s. 718.111(12)(a)11.b., the invoice for 1823 assessments or the unit's statement of account must be delivered 1824 to the unit owner by first-class United States mail or by electronic transmission to the unit owner's e-mail address 1825 maintained in the association's official records. 1826 1827 Section 14. Section 718.1224, Florida Statutes, is amended 1828 to read: 1829 718.1224 Prohibition against SLAPP suits; other prohibited 1830 actions.-1831 (1) It is the intent of the Legislature to protect the right of condominium unit owners to exercise their rights to 1832 1833 instruct their representatives and petition for redress of 1834 grievances before their condominium association and the various 1835 governmental entities of this state as protected by the First Amendment to the United States Constitution and s. 5, Art. I of 1836 1837 the State Constitution. The Legislature recognizes that

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1838 strategic lawsuits against public participation, or "SLAPP 1839 suits," as they are typically referred to, have occurred when association members are sued by condominium associations, 1840 1841 individuals, business entities, or governmental entities arising out of a condominium unit owner's appearance and presentation 1842 1843 before the board of the condominium association or a 1844 governmental entity on matters related to the condominium 1845 association. However, it is the public policy of this state that 1846 condominium associations, governmental entities, business 1847 organizations, and individuals not engage in SLAPP suits, 1848 because such actions are inconsistent with the right of 1849 condominium unit owners to participate in their condominium 1850 association and in the state's institutions of government. 1851 Therefore, the Legislature finds and declares that prohibiting 1852 such lawsuits by condominium associations, governmental 1853 entities, business entities, and individuals against condominium 1854 unit owners who address matters concerning their condominium 1855 association will preserve this fundamental state policy, 1856 preserve the constitutional rights of condominium unit owners, 1857 and ensure the continuation of representative government in this 1858 state, and ensure unit owner participation in condominium associations. It is the intent of the Legislature that such 1859 1860 lawsuits be expeditiously disposed of by the courts. As used in 1861 this subsection, the term "governmental entity" means the state, 1862 including the executive, legislative, and judicial branches of 1863 government; law enforcement agencies; the independent 1864 establishments of the state, counties, municipalities, 1865 districts, authorities, boards, or commissions; or any agencies of these branches that are subject to chapter 286. 1866

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1867 (2) A condominium association, a governmental entity, a 1868 business organization, or an individual in this state may not 1869 file or cause to be filed through its employees or agents any 1870 lawsuit, cause of action, claim, cross-claim, or counterclaim 1871 against a condominium unit owner without merit and solely 1872 because such condominium unit owner has exercised the right to 1873 instruct his or her representatives or the right to petition for 1874 redress of grievances before the condominium association or the 1875 various governmental entities of this state, as protected by the 1876 First Amendment to the United States Constitution and s. 5, Art. 1877 I of the State Constitution. 1878 (3) A condominium association may not fine, 1879 discriminatorily increase a unit owner's assessments or 1880 discriminatorily decrease services to a unit owner, or bring or 1881 threaten to bring an action for possession or other civil 1882 action, including a defamation, libel, slander, or tortious 1883 interference action, based on conduct described in paragraphs 1884 (a)-(f). In order for the unit owner to raise the defense of 1885 retaliatory conduct, the unit owner must have acted in good 1886 faith and not for any improper purposes, such as to harass or to 1887 cause unnecessary delay or for frivolous purpose or needless 1888 increase in the cost of litigation. Examples of conduct for 1889 which a condominium association, officer, director, or agent of an association may not retaliate include, but are not limited 1890 1891 to, situations where: 1892 (a) The unit owner has in good faith complained to a 1893 governmental agency charged with responsibility for enforcement 1894 of a building, housing, or health code of a suspected violation

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applicable to the condominium;

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| 1896 | (b) The unit owner has organized, encouraged, or                 |
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| 1897 | participated in a unit owners' organization;                     |
| 1898 | (c) The unit owner submitted information or filed a              |
| 1899 | complaint alleging criminal violations or violations of this     |
| 1900 | chapter or the rules of the division with the division, the      |
| 1901 | Office of the Condominium Ombudsman, a law enforcement agency, a |
| 1902 | state attorney, the Attorney General, or any other governmental  |
| 1903 | agency;  |
| 1904 | (d) The unit owner has exercised his or her rights under         |
| 1905 | this chapter;  |
| 1906 | (e) The unit owner has complained to the association or any      |
| 1907 | of its representatives for their failure to comply with this     |
| 1908 | chapter or chapter 617; or                                       |
| 1909 | (f) The unit owner has made public statements critical of        |
| 1910 | the operation or management of the association.                  |
| 1911 | (4) Evidence of retaliatory conduct may be raised by the         |
| 1912 | unit owner as a defense in any action brought against him or her |
| 1913 | for possession.  |
| 1914 | (5) A condominium unit owner sued by a <u>condominium</u>        |
| 1915 | association, governmental entity, business organization, or      |
| 1916 | individual in violation of this section has a right to an        |
| 1917 | expeditious resolution of a claim that the suit is in violation  |
| 1918 | of this section. A condominium unit owner may petition the court |
| 1919 | for an order dismissing the action or granting final judgment in |
| 1920 | favor of that condominium unit owner. The petitioner may file a  |
| 1921 | motion for summary judgment, together with supplemental          |
| 1922 | affidavits, seeking a determination that the condominium         |
| 1923 | association's, governmental entity's, business organization's,   |
| 1924 | or individual's lawsuit has been brought in violation of this    |

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1925 section. The condominium association, governmental entity, 1926 business organization, or individual shall thereafter file its 1927 response and any supplemental affidavits. As soon as 1928 practicable, the court shall set a hearing on the petitioner's 1929 motion, which shall be held at the earliest possible time after 1930 the filing of the condominium association's, governmental entity's, business organization's, or individual's response. The 1931 1932 court may award the condominium unit owner sued by the 1933 condominium association, governmental entity, business 1934 organization, or individual actual damages arising from the 1935 condominium association's, governmental entity's, individual's, 1936 or business organization's violation of this section. A court 1937 may treble the damages awarded to a prevailing condominium unit 1938 owner and shall state the basis for the treble damages award in 1939 its judgment. The court shall award the prevailing party 1940 reasonable attorney's fees and costs incurred in connection with 1941 a claim that an action was filed in violation of this section. 1942 (6) (4) Condominium associations may not expend association

funds in prosecuting a SLAPP suit against a condominium unit owner.

(7) Condominium associations may not expend association funds in support of a defamation, libel, slander, or tortious interference action against a unit owner or any other claim against a unit owner based on conduct described in paragraphs (3) (a) - (f).

1950 Section 15. Section 718.128, Florida Statutes, is amended 1951 to read:

1952 718.128 Electronic voting.—The association may conduct1953 elections and other unit owner votes through an Internet-based

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1954 online voting system if a unit owner consents, electronically or 1955 in writing, to online voting and if the following requirements are met: 1956 1957

(1) The association provides each unit owner with:

(a) A method to authenticate the unit owner's identity to the online voting system.

1960 (b) For elections of the board, a method to transmit an electronic ballot to the online voting system that ensures the 1962 secrecy and integrity of each ballot.

(c) A method to confirm, at least 14 days before the voting deadline, that the unit owner's electronic device can 1965 successfully communicate with the online voting system.

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(2) The association uses an online voting system that is:

(a) Able to authenticate the unit owner's identity.

(b) Able to authenticate the validity of each electronic vote to ensure that the vote is not altered in transit.

(c) Able to transmit a receipt from the online voting system to each unit owner who casts an electronic vote.

(d) For elections of the board of administration, able to permanently separate any authentication or identifying information from the electronic election ballot, rendering it impossible to tie an election ballot to a specific unit owner.

(e) Able to store and keep electronic votes accessible to election officials for recount, inspection, and review purposes.

1978 (3) A unit owner voting electronically pursuant to this 1979 section shall be counted as being in attendance at the meeting 1980 for purposes of determining a quorum. A substantive vote of the 1981 unit owners may not be taken on any issue other than the issues specifically identified in the electronic vote, when a quorum is 1982



1983 established based on unit owners voting electronically pursuant 1984 to this section.

1985 (4) This section applies to an association that provides 1986 for and authorizes an online voting system pursuant to this 1987 section by a board resolution. The board resolution must provide 1988 that unit owners receive notice of the opportunity to vote 1989 through an online voting system, must establish reasonable 1990 procedures and deadlines for unit owners to consent, 1991 electronically or in writing, to online voting, and must 1992 establish reasonable procedures and deadlines for unit owners to 1993 opt out of online voting after giving consent. Written notice of 1994 a meeting at which the resolution will be considered must be 1995 mailed, delivered, or electronically transmitted to the unit 1996 owners and posted conspicuously on the condominium property or 1997 association property at least 14 days before the meeting. 1998 Evidence of compliance with the 14-day notice requirement must 1999 be made by an affidavit executed by the person providing the 2000 notice and filed with the official records of the association.

(5) A unit owner's consent to online voting is valid until the unit owner opts out of online voting according to the procedures established by the board of administration pursuant to subsection (4).

2005 (6) This section may apply to any matter that requires a 2006 vote of the unit owners who are not members of a timeshare 2007 condominium association.

Section 16. Paragraph (p) of subsection (4) of section 718.301, Florida Statutes, is amended to read:

2010 718.301 Transfer of association control; claims of defect 2011 by association.-

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(4) At the time that unit owners other than the developer elect a majority of the members of the board of administration of an association, the developer shall relinquish control of the association, and the unit owners shall accept control. Simultaneously, or for the purposes of paragraph (c) not more than 90 days thereafter, the developer shall deliver to the association, at the developer's expense, all property of the unit owners and of the association which is held or controlled by the developer, including, but not limited to, the following items, if applicable, as to each condominium operated by the association:

(p) Notwithstanding when the certificate of occupancy was issued or the height of the building, a turnover inspection report included in the official records, under seal of an architect or engineer authorized to practice in this state or a person certified as a reserve specialist or professional reserve analyst by the Community Associations Institute or the Association of Professional Reserve Analysts, and <u>consisting of</u> <u>a structural integrity reserve study</u> attesting to required maintenance, condition, useful life, and replacement costs of the following applicable condominium property:

1. Roof.

2. Structure, including load-bearing walls and primary structural members and primary structural systems as those terms are defined in s. 627.706.

3. Fireproofing and fire protection systems.

4. Plumbing.

5. Electrical systems.

6. Waterproofing and exterior painting.

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2041 7. Windows and exterior doors. 2042 Section 17. Subsections (4) and (5) of section 718.3027, Florida Statutes, are amended to read: 2043

718.3027 Conflicts of interest.-

2045 (4) A director or an officer, or a relative of a director 2046 or an officer, who is a party to, or has an interest in, an 2047 activity that is a possible conflict of interest, as described 2048 in subsection (1), may attend the meeting at which the activity 2049 is considered by the board and is authorized to make a 2050 presentation to the board regarding the activity. After the 2051 presentation, the director or officer, and any or the relative 2052 of the director or officer, must leave the meeting during the 2053 discussion of, and the vote on, the activity. A director or an 2054 officer who is a party to, or has an interest in, the activity 2055 must recuse himself or herself from the vote. The attendance of 2056 a director with a possible conflict of interest at the meeting 2057 of the board is sufficient to constitute a quorum for the 2058 meeting and the vote in his or her absence on the proposed 2059 activity.

(5) A contract entered into between a director or an 2061 officer, or a relative of a director or an officer, and the association, which is not a timeshare condominium association, that has not been properly disclosed as a conflict of interest or potential conflict of interest as required by this section or s. 617.0832 s. 718.111(12)(g) is voidable and terminates upon 2066 the filing of a written notice terminating the contract with the 2067 board of directors which contains the consent of at least 20 percent of the voting interests of the association. Section 18. Subsection (5) of section 718.303, Florida

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) Statutes, is amended to read:

718.303 Obligations of owners and occupants; remedies.-(5) An association may suspend the voting rights of a unit owner or member due to nonpayment of any fee, fine, or other monetary obligation due to the association which is more than \$1,000 and more than 90 days delinquent. Proof of such obligation must be provided to the unit owner or member 30 days before such suspension takes effect. Notice of such obligation must also be provided to the unit owner at least 90 days before an election. A voting interest or consent right allocated to a unit owner or member which has been suspended by the association shall be subtracted from the total number of voting interests in the association, which shall be reduced by the number of suspended voting interests when calculating the total percentage or number of all voting interests available to take or approve any action, and the suspended voting interests shall not be considered for any purpose, including, but not limited to, the percentage or number of voting interests necessary to constitute a quorum, the percentage or number of voting interests required to conduct an election, or the percentage or number of voting interests required to approve an action under this chapter or pursuant to the declaration, articles of incorporation, or bylaws. The suspension ends upon full payment of all obligations currently due or overdue the association. The notice and hearing requirements under subsection (3) do not apply to a suspension imposed under this subsection.

Section 19. Subsections (1) and (2) of section 718.501, Florida Statutes, are amended to read:

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718.501 Authority, responsibility, and duties of Division



of Florida Condominiums, Timeshares, and Mobile Homes.-

(1) The division may enforce and ensure compliance with this chapter and rules relating to the development, construction, sale, lease, ownership, operation, and management of residential condominium units and complaints related to the procedural completion of milestone inspections under s. 553.899. In performing its duties, the division has complete jurisdiction to investigate complaints and enforce compliance with respect to associations that are still under developer control or the control of a bulk assignee or bulk buyer pursuant to part VII of this chapter and complaints against developers, bulk assignees, or bulk buyers involving improper turnover or failure to turnover, pursuant to s. 718.301. However, after turnover has occurred, the division has jurisdiction to investigate complaints related only to financial issues, elections, and the maintenance of and unit owner access to association records under s. 718.111(12), allegations of criminal violations under this chapter, the removal of a director or an officer under s. 718.112(2)(q), and the procedural completion of structural integrity reserve studies under s. 718.112(2)(g).

(a)1. The division may make necessary public or private investigations within or outside this state to determine whether any person has violated this chapter or any rule or order hereunder, to aid in the enforcement of this chapter, or to aid in the adoption of rules or forms.

2. The division may submit any official written report, worksheet, or other related paper, or a duly certified copy thereof, compiled, prepared, drafted, or otherwise made by and duly authenticated by a financial examiner or analyst to be



admitted as competent evidence in any hearing in which the financial examiner or analyst is available for cross-examination and attests under oath that such documents were prepared as a result of an examination or inspection conducted pursuant to 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.

2137 (c) For the purpose of any investigation under this 2138 chapter, the division director or any officer or employee 2139 designated by the division director may administer oaths or 2140 affirmations, subpoena witnesses and compel their attendance, 2141 take evidence, and require the production of any matter which is 2142 relevant to the investigation, including the existence, 2143 description, nature, custody, condition, and location of any 2144 books, documents, or other tangible things and the identity and 2145 location of persons having knowledge of relevant facts or any 2146 other matter reasonably calculated to lead to the discovery of 2147 material evidence. Upon the failure by a person to obey a 2148 subpoena or to answer questions propounded by the investigating 2149 officer and upon reasonable notice to all affected persons, the 2150 division may apply to the circuit court for an order compelling 2151 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 enforcement proceedings in its own name against any developer,

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2157 bulk assignee, bulk buyer, association, officer, or member of 2158 the board of administration, or its assignees or agents, as 2159 follows:

2160 1. The division may permit a person whose conduct or 2161 actions may be under investigation to waive formal proceedings 2162 and enter into a consent proceeding whereby orders, rules, or 2163 letters of censure or warning, whether formal or informal, may 2164 be entered against the person.

2165 2. The division may issue an order requiring the developer, 2166 bulk assignee, bulk buyer, association, developer-designated 2167 officer, or developer-designated member of the board of 2168 administration, developer-designated assignees or agents, bulk 2169 assignee-designated assignees or agents, bulk buyer-designated 2170 assignees or agents, community association manager, or community 2171 association management firm to cease and desist from the 2172 unlawful practice and take such affirmative action as in the judgment of the division carry out the purposes of this chapter. 2173 2174 If the division finds that a developer, bulk assignee, bulk 2175 buyer, association, officer, or member of the board of 2176 administration, or its assignees or agents, is violating or is 2177 about to violate any provision of this chapter, any rule adopted or order issued by the division, or any written agreement 2178 2179 entered into with the division, and presents an immediate danger 2180 to the public requiring an immediate final order, it may issue 2181 an emergency cease and desist order reciting with particularity 2182 the facts underlying such findings. The emergency cease and 2183 desist order is effective for 90 days. If the division begins nonemergency cease and desist proceedings, the emergency cease 2184 2185 and desist order remains effective until the conclusion of the



2186 proceedings under ss. 120.569 and 120.57.

2187 3. If a developer, bulk assignee, or bulk buyer fails to 2188 pay any restitution determined by the division to be owed, plus 2189 any accrued interest at the highest rate permitted by law, 2190 within 30 days after expiration of any appellate time period of a final order requiring payment of restitution or the conclusion 2191 of any appeal thereof, whichever is later, the division must 2192 2193 bring an action in circuit or county court on behalf of any 2194 association, class of unit owners, lessees, or purchasers for 2195 restitution, declaratory relief, injunctive relief, or any other 2196 available remedy. The division may also temporarily revoke its 2197 acceptance of the filing for the developer to which the 2198 restitution relates until payment of restitution is made.

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

5. The division may apply to the circuit court for an order of restitution whereby the defendant in an action brought under subparagraph 4. is ordered to make restitution of those sums shown by the division to have been obtained by the defendant in violation of this chapter. At the option of the court, such restitution is payable to the conservator or receiver appointed

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under subparagraph 4. or directly to the persons whose funds or

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assets were obtained in violation of this chapter. 2217 6. The division may impose a civil penalty against a 2218 developer, bulk assignee, or bulk buyer, or association, or its 2219 assignee or agent, for any violation of this chapter, or related 2220 rule, or chapter 617. The division may impose a civil penalty 2221 individually against an officer or board member who willfully 2222 and knowingly violates this chapter, an adopted rule, or a final 2223 order of the division; may order the removal of such individual 2224 as an officer or from the board of administration or as an 2225 officer of the association; and may prohibit such individual 2226 from serving as an officer or on the board of a community 2227 association for a period of time. The term "willfully and 2228 knowingly" means that the division informed the officer or board 2229 member that his or her action or intended action violates this 2230 chapter, a rule adopted under this chapter, or a final order of 2231 the division and that the officer or board member refused to 2232 comply with the requirements of this chapter, a rule adopted 2233 under this chapter, or a final order of the division. The 2234 division, before initiating formal agency action under chapter 2235 120, must afford the officer or board member an opportunity to voluntarily comply, and an officer or board member who complies 2236 2237 within 10 days is not subject to a civil penalty. A penalty may 2238 be imposed on the basis of each day of continuing violation, but 2239 the penalty for any offense may not exceed \$5,000. The division 2240 shall adopt, by rule, penalty quidelines applicable to possible 2241 violations or to categories of violations of this chapter or 2242 rules adopted by the division. The quidelines must specify a meaningful range of civil penalties for each such violation of 2243

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2244 the statute and rules and must be based upon the harm caused by 2245 the violation, upon the repetition of the violation, and upon 2246 such other factors deemed relevant by the division. For example, 2247 the division may consider whether the violations were committed 2248 by a developer, bulk assignee, or bulk buyer, or owner-2249 controlled association, the size of the association, and other 2250 factors. The quidelines must designate the possible mitigating 2251 or aggravating circumstances that justify a departure from the 2252 range of penalties provided by the rules. It is the legislative 2253 intent that minor violations be distinguished from those which 2254 endanger the health, safety, or welfare of the condominium 2255 residents or other persons and that such guidelines provide 2256 reasonable and meaningful notice to the public of likely 2257 penalties that may be imposed for proscribed conduct. This 2258 subsection does not limit the ability of the division to 2259 informally dispose of administrative actions or complaints by 2260 stipulation, agreed settlement, or consent order. All amounts 2261 collected shall be deposited with the Chief Financial Officer to 2262 the credit of the Division of Florida Condominiums, Timeshares, 2263 and Mobile Homes Trust Fund. If a developer, bulk assignee, or 2264 bulk buyer fails to pay the civil penalty and the amount deemed 2265 to be owed to the association, the division shall issue an order 2266 directing that such developer, bulk assignee, or bulk buyer 2267 cease and desist from further operation until such time as the 2268 civil penalty is paid or may pursue enforcement of the penalty 2269 in a court of competent jurisdiction. If an association fails to 2270 pay the civil penalty, the division shall pursue enforcement in a court of competent jurisdiction, and the order imposing the 2271 civil penalty or the cease and desist order is not effective 2272

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2273 until 20 days after the date of such order. Any action commenced 2274 by the division shall be brought in the county in which the 2275 division has its executive offices or in the county where the 2276 violation occurred.

2277 7. If a unit owner presents the division with proof that 2278 the unit owner has requested access to official records in writing by certified mail, and that after 10 days the unit owner 2279 2280 again made the same request for access to official records in 2281 writing by certified mail, and that more than 10 days has 2282 elapsed since the second request and the association has still 2283 failed or refused to provide access to official records as 2284 required by this chapter, the division shall issue a subpoena 2285 requiring production of the requested records where the records 2286 are kept pursuant to s. 718.112. Upon receipt of the records, 2287 the division shall provide without charge the produced official 2288 records to the unit owner who was denied access to such records.

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

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

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(f) The division may adopt rules to administer and enforce



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(g) The division shall establish procedures for providing 2303 notice to an association and the developer, bulk assignee, or 2305 bulk buyer during the period in which the developer, bulk 2306 assignee, or bulk buyer controls the association if the division 2307 is considering the issuance of a declaratory statement with 2308 respect to the declaration of condominium or any related 2309 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.

2317 (j) The division shall provide training and educational 2318 programs for condominium association board members and unit 2319 owners. The training may, in the division's discretion, include 2320 web-based electronic media and live training and seminars in 2321 various locations throughout the state. The division may review 2322 and approve education and training programs for board members and unit owners offered by providers and shall maintain a current list of approved programs and providers and make such list available to board members and unit owners in a reasonable and cost-effective manner. The division shall adopt by rule the educational curriculum required under s. 718.112(2)(d) for its approval of condominium education providers.

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



2331 (1) The division shall develop a program to certify both 2332 volunteer and paid mediators to provide mediation of condominium 2333 disputes. The division shall provide, upon request, a list of 2334 such mediators to any association, unit owner, or other 2335 participant in alternative dispute resolution proceedings under 2336 s. 718.1255 requesting a copy of the list. The division shall 2337 include on the list of volunteer mediators only the names of 2338 persons who have received at least 20 hours of training in 2339 mediation techniques or who have mediated at least 20 disputes. 2340 In order to become initially certified by the division, paid 2341 mediators must be certified by the Supreme Court to mediate 2342 court cases in county or circuit courts. However, the division 2343 may adopt, by rule, additional factors for the certification of 2344 paid mediators, which must be related to experience, education, 2345 or background. Any person initially certified as a paid mediator 2346 by the division must, in order to continue to be certified, 2347 comply with the factors or requirements adopted by rule.

2348 (m) If a complaint is made, the division must conduct its 2349 inquiry with due regard for the interests of the affected 2350 parties. Within 30 days after receipt of a complaint, the 2351 division shall acknowledge the complaint in writing and notify 2352 the complainant whether the complaint is within the jurisdiction 2353 of the division and whether additional information is needed by the division from the complainant. The division shall conduct 2354 2355 its investigation and, within 90 days after receipt of the 2356 original complaint or of timely requested additional 2357 information, take action upon the complaint. However, the 2358 failure to complete the investigation within 90 days does not prevent the division from continuing the investigation, 2359

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2360 accepting or considering evidence obtained or received after 90 2361 days, or taking administrative action if reasonable cause exists 2362 to believe that a violation of this chapter or a rule has 2363 occurred. If an investigation is not completed within the time 2364 limits established in this paragraph, the division shall, on a 2365 monthly basis, notify the complainant in writing of the status 2366 of the investigation. When reporting its action to the 2367 complainant, the division shall inform the complainant of any 2368 right to a hearing under ss. 120.569 and 120.57. The division 2369 may adopt rules regarding the submission of a complaint against 2370 an association.

2371 (n) Condominium association directors, officers, and 2372 employees; condominium developers; bulk assignees, bulk buyers, 2373 and community association managers; and community association 2374 management firms have an ongoing duty to reasonably cooperate 2375 with the division in any investigation under this section. The 2376 division shall refer to local law enforcement authorities any 2377 person whom the division believes has altered, destroyed, 2378 concealed, or removed any record, document, or thing required to 2379 be kept or maintained by this chapter with the purpose to impair 2380 its verity or availability in the department's investigation. The division shall refer to local law enforcement authorities 2381 2382 any person whom the division believes has engaged in fraud, 2383 theft, embezzlement, or other criminal activity or when the 2384 division has cause to believe that fraud, theft, embezzlement, 2385 or other criminal activity has occurred.

(o) <u>The division director or any officer or employee of the</u>
 division, and the condominium ombudsman or employee of the
 Office of the Condominium Ombudsman may attend and observe any

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meeting of the board of administration or unit owner meeting, 2390 including any meeting of a subcommittee or special committee, 2391 that is open to members of the association for the purpose of 2392 performing the duties of the division or the Office of the 2393 Condominium Ombudsman under this chapter. 2394 (p) The division may: 2395 1. Contract with agencies in this state or other 2396 jurisdictions to perform investigative functions; or 2397 2. Accept grants-in-aid from any source. 2398 (q) - (p) The division shall cooperate with similar agencies in other jurisdictions to establish uniform filing procedures 2399 2400 and forms, public offering statements, advertising standards, 2401 and rules and common administrative practices. 2402 (r) (q) The division shall consider notice to a developer, 2403 bulk assignee, or bulk buyer to be complete when it is delivered 2404 to the address of the developer, bulk assignee, or bulk buyer 2405 currently on file with the division. 2406 (s) (r) In addition to its enforcement authority, the 2407 division may issue a notice to show cause, which must provide 2408 for a hearing, upon written request, in accordance with chapter 2409 120. 2410 (t) (t) (s) The division shall submit to the Governor, the 2411 President of the Senate, the Speaker of the House of 2412 Representatives, and the chairs of the legislative 2413 appropriations committees an annual report that includes, but 2414 need not be limited to, the number of training programs provided 2415 for condominium association board members and unit owners, the number of complaints received by type, the number and percent of 2416 complaints acknowledged in writing within 30 days and the number 2417

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and percent of investigations acted upon within 90 days in accordance with paragraph (m), and the number of investigations exceeding the 90-day requirement. The annual report must also include an evaluation of the division's core business processes and make recommendations for improvements, including statutory changes. The report shall be submitted by September 30 following the end of the fiscal year.

2425 (2) (a) Each condominium association which operates more 2426 than two units shall pay to the division an annual fee in the 2427 amount of \$4 for each residential unit in condominiums operated 2428 by the association. The annual fee must be filed together with 2429 the annual certification described in paragraph (c). If the fee 2430 is not paid by March 1, the association shall be assessed a 2431 penalty of 10 percent of the amount due, and the association 2432 will not have standing to maintain or defend any action in the 2433 courts of this state until the amount due, plus any penalty, is 2434 paid.

(b) All fees shall be deposited in the Division of Florida Condominiums, Timeshares, and Mobile Homes Trust Fund as provided by law.

(c) On the certification form provided by rule of the division, the directors of the association shall certify that all directors of the association have or have not completed the written certification and educational certificate requirements in s. 718.112(2)(d)4.b. If the association certifies that a director has not completed the written certification and educational certificate requirements, the association must explain on the certification form the reasons the written certification and educational certificate requirements have not

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2447 been met and provide the date by which the requirements will be 2448 met, which may not be more than 60 days after the date the 2449 certification form required under this paragraph is submitted to 2450 the division. Upon completion of the requirements in s. 2451 718.112(2)(d)4.b., the association must notify the division, on 2452 a form adopted by rule of the division, that the requirements 2453 have been met. 2454 Section 20. Subsection (2) of section 718.5011, Florida 2455 Statutes, is amended to read: 2456 718.5011 Ombudsman; appointment; administration.-2457 (2) The secretary of the Department of Business and 2458 Professional Regulation Governor shall appoint the ombudsman. 2459 The ombudsman must be an attorney admitted to practice before 2460 the Florida Supreme Court and shall serve at the pleasure of the 2461 secretary Governor. A vacancy in the office shall be filled in 2462 the same manner as the original appointment. An officer or full-2463 time employee of the ombudsman's office may not actively engage 2464 in any other business or profession that directly or indirectly 2465 relates to or conflicts with his or her work in the ombudsman's 2466 office; serve as the representative of any political party, 2467 executive committee, or other governing body of a political 2468 party; serve as an executive, officer, or employee of a 2469 political party; receive remuneration for activities on behalf 2470 of any candidate for public office; or engage in soliciting 2471 votes or other activities on behalf of a candidate for public 2472 office. The ombudsman or any employee of his or her office may 2473 not become a candidate for election to public office unless he 2474 or she first resigns from his or her office or employment. 2475 Section 21. Subsection (1) of section 718.618, Florida

Statutes, is amended to read:



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718.618 Converter reserve accounts; warranties.-

(1) When existing improvements are converted to ownership as a residential condominium, the developer shall establish converter reserve accounts for capital expenditures and <u>planned</u> deferred maintenance, or give warranties as provided by subsection (6), or post a surety bond as provided by subsection (7). The developer shall fund the converter reserve accounts in amounts calculated as follows:

(a)1. When the existing improvements include an airconditioning system serving more than one unit or property which the association is responsible to repair, maintain, or replace, the developer shall fund an air-conditioning reserve account. The amount of the reserve account shall be the product of the estimated current replacement cost of the system, as disclosed and substantiated pursuant to s. 718.616(3)(b), multiplied by a fraction, the numerator of which shall be the lesser of the age of the system in years or 9, and the denominator of which shall be 10. When such air-conditioning system is within 1,000 yards of the seacoast, the numerator shall be the lesser of the age of the system in years or 3, and the denominator shall be 4.

2497 2. The developer shall fund a plumbing reserve account. The 2498 amount of the funding shall be the product of the estimated 2499 current replacement cost of the plumbing component, as disclosed 2500 and substantiated pursuant to s. 718.616(3)(b), multiplied by a 2501 fraction, the numerator of which shall be the lesser of the age 2502 of the plumbing in years or 36, and the denominator of which 2503 shall be 40.

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3. The developer shall fund a roof reserve account. The



2505 amount of the funding shall be the product of the estimated 2506 current replacement cost of the roofing component, as disclosed 2507 and substantiated pursuant to s. 718.616(3)(b), multiplied by a 2508 fraction, the numerator of which shall be the lesser of the age 2509 of the roof in years or the numerator listed in the following 2510 table. The denominator of the fraction shall be determined based 2511 on the roof type, as follows: 2512 Roof Type Numerator Denominator 2513 Built-up roof 5 4 a. without insulation 2514 b. Built-up roof with 4 5 insulation 2515 Cement tile roof 45 50 с. 2516 d. Asphalt shingle 14 15 roof 2517 Copper roof e. 2518 f. Wood shingle roof 9 10 2519 20 All other types 18 q. 2520 2521 2522 (b) The age of any component or structure for which the

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2523 developer is required to fund a reserve account shall be 2524 measured in years, rounded to the nearest whole year. The amount 2525 of converter reserves to be funded by the developer for each 2526 structure or component shall be based on the age of the 2527 structure or component as disclosed in the inspection report. 2528 The architect or engineer shall determine the age of the 2529 component from the later of: 2530 1. The date when the component or structure was replaced or 2531 substantially renewed, if the replacement or renewal of the 2532 component at least met the requirements of the then-applicable 2533 building code; or 2534 2. The date when the installation or construction of the 2535 existing component or structure was completed. 2536 (c) When the age of a component or structure is to be 2537 measured from the date of replacement or renewal, the developer 2538 shall provide the division with a certificate, under the seal of 2539 an architect or engineer authorized to practice in this state, 2540 verifying: 2541 1. The date of the replacement or renewal; and 2542 2. That the replacement or renewal at least met the 2543 requirements of the then-applicable building code. 2544 (d) In addition to establishing the reserve accounts specified above, the developer shall establish those other 2545 2546 reserve accounts required by s. 718.112(2)(f), and shall fund 2547 those accounts in accordance with the formula provided therein. 2548 The vote to waive or reduce the funding or reserves required by 2549 s. 718.112(2)(f) does not affect or negate the obligations

arising under this section.

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Section 22. Paragraphs (j) and (k) of subsection (1) of

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section 719.106, Florida Statutes, are amended to read: 719.106 Bylaws; cooperative ownership.-

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

(j) Annual budget.-

1. The proposed annual budget of common expenses must be detailed and must show the amounts budgeted by accounts and expense classifications, including, if applicable, but not limited to, those expenses listed in s. 719.504(20). The board of administration shall adopt the annual budget at least 14 days before the start of the association's fiscal year. In the event that the board fails to timely adopt the annual budget a second time, it is deemed a minor violation and the prior year's budget shall continue in effect until a new budget is adopted.

2567 2. In addition to annual operating expenses, the budget 2568 must include reserve accounts for capital expenditures and 2569 <u>planned deferred maintenance</u>. These accounts must include, but 2570 not be limited to, roof replacement, building painting, and 2571 pavement resurfacing, regardless of the amount of <u>planned</u> 2572 <u>deferred maintenance expense or replacement cost</u>, and for any 2573 other items for which the <u>planned deferred maintenance expense</u> 2574 or replacement cost exceeds \$10,000. The amount to be reserved 2575 must be computed by means of a formula which is based upon 2576 estimated remaining useful life and estimated replacement cost 2577 or <u>planned deferred maintenance</u> expense of the reserve item. In 2578 a budget adopted by an association that is required to obtain a 2579 structural integrity reserve study, reserves must be maintained 2580 for the items identified in paragraph (k) for which the

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2581 association is responsible pursuant to the declaration, and the 2582 reserve amount for such items must be based on the findings and 2583 recommendations of the association's most recent structural 2584 integrity reserve study. With respect to items for which an 2585 estimate of useful life is not readily ascertainable or with an 2586 estimated remaining useful life of greater than 25 years, an 2587 association is not required to reserve replacement costs for 2588 such items, but an association must reserve the amount of 2589 planned deferred maintenance expense, if any, which is 2590 recommended by the structural integrity reserve study for such 2591 items. The association may adjust replacement reserve 2592 assessments annually to take into account an inflation 2593 adjustment and any changes in estimates or extension of the 2594 useful life of a reserve item caused by planned deferred 2595 maintenance. The members of a unit-owner-controlled association 2596 may determine, by a majority vote of the total voting interests 2597 of the association, for a fiscal year to provide no reserves or 2598 reserves less adequate than required by this subsection. Before 2599 turnover of control of an association by a developer to unit 2600 owners other than a developer under s. 719.301, the developer-2601 controlled association may not vote to waive the reserves or 2602 reduce funding of the reserves. For a budget adopted on or after 2603 December 31, 2024, a unit-owner-controlled association that must 2604 obtain a structural integrity reserve study may not determine to 2605 provide no reserves or reserves less adequate than required by 2606 this paragraph for items listed in paragraph (k). If a meeting 2607 of the unit owners has been called to determine to provide no 2608 reserves, or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves 2609

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2610 as included in the budget shall go into effect.

2611 3. Reserve funds and any interest accruing thereon shall 2612 remain in the reserve account or accounts, and shall be used 2613 only for authorized reserve expenditures unless their use for 2614 other purposes is approved in advance by a vote of the majority 2615 of the total voting interests of the association. Before 2616 turnover of control of an association by a developer to unit 2617 owners other than the developer under s. 719.301, the developer 2618 may not vote to use reserves for purposes other than that for 2619 which they were intended. For a budget adopted on or after 2620 December 31, 2024, members of a unit-owner-controlled 2621 association that must obtain a structural integrity reserve 2622 study may not vote to use reserve funds, or any interest 2623 accruing thereon, for purposes other than the replacement or 2624 planned deferred maintenance costs of the components listed in 2625 paragraph (k).

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(k) Structural integrity reserve study.-

1. A residential cooperative association must have a structural integrity reserve study completed at least every 10 years for each building on the cooperative property that is three stories or higher in height, as determined by the Florida Building Code, that includes, at a minimum, a study of the following items as related to the structural integrity and safety of the building:

a. Roof.

2635 b. Structure, including load-bearing walls and other 2636 primary structural members and primary structural systems as 2637 those terms are defined in s. 627.706.

c. Fireproofing and fire protection systems.

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d. Plumbing.

e. Electrical systems.

f. Waterproofing and exterior painting.

g. Windows and exterior doors.

h. Any other item that has a <u>planned</u> deferred maintenance expense or replacement cost that exceeds \$10,000 and the failure to replace or maintain such item negatively affects the items listed in sub-subparagraphs a.-g., as determined by the visual inspection portion of the structural integrity reserve study.

2. A structural integrity reserve study is based on a visual inspection of the cooperative property. A structural integrity reserve study may be performed by any person qualified to perform such study. However, the visual inspection portion of the structural integrity reserve study must be performed or verified by an engineer licensed under chapter 471, an architect licensed under chapter 481, or a person certified as a reserve specialist or professional reserve analyst by the Community Associations Institute or the Association of Professional Reserve Analysts.

3. At a minimum, a structural integrity reserve study must identify each item of the cooperative property being visually inspected, state the estimated remaining useful life and the estimated replacement cost or <u>planned deferred</u> maintenance expense of each item of the cooperative property being visually inspected, and provide a reserve funding schedule with a recommended annual reserve amount that achieves the estimated replacement cost or <u>planned deferred</u> maintenance expense of each item of cooperative property being visually inspected by the end of the estimated remaining useful life of the item. The

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2668 structural integrity reserve study may recommend that reserves 2669 do not need to be maintained for any item for which an estimate 2670 of useful life and an estimate of replacement cost cannot be 2671 determined, or the study may recommend a planned deferred 2672 maintenance expense amount for such item. The structural 2673 integrity reserve study may recommend that reserves for 2674 replacement costs do not need to be maintained for any item with 2675 an estimated remaining useful life of greater than 25 years, but 2676 the study may recommend a planned deferred maintenance expense 2677 amount for such item.

4. This paragraph does not apply to buildings less than three stories in height; single-family, two-family, or threefamily, or four-family dwellings with three or fewer habitable stories above ground; any portion or component of a building that has not been submitted to the cooperative form of ownership; or any portion or component of a building that is maintained by a party other than the association.

5. Before a developer turns over control of an association to unit owners other than the developer, the developer must have a turnover inspection report in compliance with s. 719.301(4)(p) and (q) for each building on the cooperative property that is three stories or higher in height.

6. Associations existing on or before July 1, 2022, which are controlled by unit owners other than the developer, must have a structural integrity reserve study completed by December 31, 2024, for each building on the cooperative property that is three stories or higher in height. An association that is required to complete a milestone inspection on or before December 31, 2026, in accordance with s. 553.899 may complete

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2697 the structural integrity reserve study simultaneously with the 2698 milestone inspection. In no event may the structural integrity 2699 reserve study be completed after December 31, 2026.

7. If the milestone inspection required by s. 553.899, or an inspection completed for a similar local requirement, was performed within the past 5 years and meets the requirements of this paragraph, such inspection may be used in place of the visual inspection portion of the structural integrity reserve study.

8. If the officers or directors of an association willfully and knowingly fail to complete a structural integrity reserve study pursuant to this paragraph, such failure is a breach of an officer's and director's fiduciary relationship to the unit owners under s. 719.104(9).

<u>9. Within 45 days after receiving the structural integrity</u> reserve study, the association shall distribute a copy of the study to each unit owner or deliver to each unit owner a notice that the completed study is available for inspection and copying upon a written request. Distribution of a copy of the study or notice must be made by United States mail or personal delivery at the mailing address, property address, or any other address of the owner provided to fulfill the association's notice requirements under this chapter, or by electronic transmission to the e-mail address or facsimile number provided to fulfill the association's notice requirements to unit owners who previously consented to receive notice by electronic transmission.

2724 Section 23. Section 719.129, Florida Statutes, is amended 2725 to read:

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2726 719.129 Electronic voting.-The association may conduct 2727 elections and other unit owner votes through an Internet-based 2728 online voting system if a unit owner consents, electronically or 2729 in writing, to online voting and if the following requirements 2730 are met: 2731 (1) The association provides each unit owner with: (a) A method to authenticate the unit owner's identity to 2732 2733 the online voting system. 2734 (b) For elections of the board, a method to transmit an 2735 electronic ballot to the online voting system that ensures the 2736 secrecy and integrity of each ballot. 2737 (c) A method to confirm, at least 14 days before the voting 2738 deadline, that the unit owner's electronic device can 2739 successfully communicate with the online voting system. 2740 (2) The association uses an online voting system that is: 2741 (a) Able to authenticate the unit owner's identity. 2742 (b) Able to authenticate the validity of each electronic 2743 vote to ensure that the vote is not altered in transit. 2744 (c) Able to transmit a receipt from the online voting 2745 system to each unit owner who casts an electronic vote. 2746 (d) For elections of the board of administration, able to 2747 permanently separate any authentication or identifying 2748 information from the electronic election ballot, rendering it 2749 impossible to tie an election ballot to a specific unit owner. 2750 (e) Able to store and keep electronic votes accessible to 2751 election officials for recount, inspection, and review purposes.

(3) A unit owner voting electronically pursuant to this
section shall be counted as being in attendance at the meeting
for purposes of determining a quorum. A substantive vote of the



2755 unit owners may not be taken on any issue other than the issues 2756 specifically identified in the electronic vote, when a quorum is 2757 established based on unit owners voting electronically pursuant 2758 to this section.

2759 (4) This section applies to an association that provides 2760 for and authorizes an online voting system pursuant to this section by a board resolution. The board resolution must provide 2761 2762 that unit owners receive notice of the opportunity to vote 2763 through an online voting system, must establish reasonable 2764 procedures and deadlines for unit owners to consent, 2765 electronically or in writing, to online voting, and must 2766 establish reasonable procedures and deadlines for unit owners to 2767 opt out of online voting after giving consent. Written notice of 2768 a meeting at which the resolution will be considered must be 2769 mailed, delivered, or electronically transmitted to the unit 2770 owners and posted conspicuously on the condominium property or association property at least 14 days before the meeting. 2771 2772 Evidence of compliance with the 14-day notice requirement must 2773 be made by an affidavit executed by the person providing the 2774 notice and filed with the official records of the association.

(5) A unit owner's consent to online voting is valid until the unit owner opts out of online voting pursuant to the procedures established by the board of administration pursuant to subsection (4).

(6) This section may apply to any matter that requires a vote of the unit owners who are not members of a timeshare cooperative association.

2782 Section 24. Paragraph (p) of subsection (4) of section 2783 719.301, Florida Statutes, is amended to read:

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719.301 Transfer of association control.-

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

(p) Notwithstanding when the certificate of occupancy was issued or the height of the building, a turnover inspection report included in the official records, under seal of an architect or engineer authorized to practice in this state or a person certified as a reserve specialist or professional reserve analyst by the Community Associations Institute or the Association of Professional Reserve Analysts, <u>consisting of a structural integrity reserve study</u> attesting to required maintenance, condition, useful life, and replacement costs of the following applicable cooperative property:

1. Roof.

2. Structure, including load-bearing walls and primary structural members and primary structural systems as those terms are defined in s. 627.706.

3. Fireproofing and fire protection systems.

4. Plumbing.

5. Electrical systems.

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2813 6. Waterproofing and exterior painting. 7. Windows and exterior doors. 2814 Section 25. Subsection (1) of section 719.618, Florida 2815 2816 Statutes, is amended to read: 2817 719.618 Converter reserve accounts; warranties.-2818 (1) When existing improvements are converted to ownership as a residential cooperative, the developer shall establish 2819 2820 planned reserve accounts for capital expenditures and deferred 2821 maintenance, or give warranties as provided by subsection (6), 2822 or post a surety bond as provided by subsection (7). The 2823 developer shall fund the reserve accounts in amounts calculated 2824 as follows:

(a)1. When the existing improvements include an airconditioning system serving more than one unit or property which the association is responsible to repair, maintain, or replace, the developer shall fund an air-conditioning reserve account. The amount of the reserve account shall be the product of the estimated current replacement cost of the system, as disclosed and substantiated pursuant to s. 719.616(3)(b), multiplied by a fraction, the numerator of which shall be the lesser of the age of the system in years or 9, and the denominator of which shall be 10. When such air-conditioning system is within 1,000 yards of the seacoast, the numerator shall be the lesser of the age of the system in years or 3, and the denominator shall be 4.

2837 2. The developer shall fund a plumbing reserve account. The 2838 amount of the funding shall be the product of the estimated 2839 current replacement cost of the plumbing component, as disclosed 2840 and substantiated pursuant to s. 719.616(3)(b), multiplied by a 2841 fraction, the numerator of which shall be the lesser of the age

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2842 of the plumbing in years or 36, and the denominator of which 2843 shall be 40. 3. The developer shall fund a roof reserve account. The 2844 2845 amount of the funding shall be the product of the estimated 2846 current replacement cost of the roofing component, as disclosed 2847 and substantiated pursuant to s. 719.616(3)(b), multiplied by a 2848 fraction, the numerator of which shall be the lesser of the age 2849 of the roof in years or the numerator listed in the following table. The denominator of the fraction shall be determined based 2850 2851 on the roof type, as follows: 2852 Roof Type Numerator Denominator 2853 Built-up roof 4 5 a. without insulation 2854 Built-up roof with 5 b. 4 insulation 2855 Cement tile roof 45 50 с. 2856 Asphalt shingle 14 15 d. roof 2857 Copper roof e. 2858 f. Wood shingle roof 9 10 2859 All other types 20 18 g.

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2860 2861 2862 (b) The age of any component or structure for which the 2863 developer is required to fund a reserve account shall be 2864 measured in years from the later of: 2865 1. The date when the component or structure was replaced or 2866 substantially renewed, if the replacement or renewal of the 2867 component at least met the requirements of the then-applicable 2868 building code; or 2869 2. The date when the installation or construction of the 2870 existing component or structure was completed. 2871 (c) When the age of a component or structure is to be 2872 measured from the date of replacement or renewal, the developer 2873 shall provide the division with a certificate, under the seal of 2874 an architect or engineer authorized to practice in this state, 2875 verifying: 2876 1. The date of the replacement or renewal; and 2877 2. That the replacement or renewal at least met the 2878 requirements of the then-applicable building code. 2879 Section 26. The Division of Florida Condominiums, 2880 Timeshares, and Mobile Homes of the Department of Business and 2881 Professional Regulation shall complete a review of the website 2882 or application requirements for official records under s. 2883 718.111(12)(g), Florida Statutes, and make recommendations 2884 regarding any additional official records of a condominium 2885 association that should be included in the record maintenance 2886 requirement in the statute. The division shall submit the 2887 findings of its review to the Governor, the President of the 2888 Senate, the Speaker of the House of Representatives, and the

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| 2889 | chairs of the legislative appropriations committees and    |
|------|--|
| 2890 | appropriate substantive committees with jurisdiction over  |
| 2891 | chapter 718, Florida Statutes, by February 1, 2025.        |
| 2892 | Section 27. Except as otherwise expressly provided in this |
| 2893 | act, this act shall take effect July 1, 2024.              |
| 2894 |  |
| 2895 | ======================================                     |
| 2896 | And the title is amended as follows:                       |
| 2897 | Delete everything before the enacting clause               |
| 2898 | and insert:  |
| 2899 | A bill to be entitled                                      |
| 2900 | An act relating to community associations; amending s.     |
| 2901 | 468.4334, F.S.; requiring community associations or        |
| 2902 | successor community association managers and               |
| 2903 | management firms to return official records of an          |
| 2904 | association within a specified period following            |
| 2905 | termination of a contract; specifying the manner of        |
| 2906 | delivery for the notice of termination; authorizing        |
| 2907 | the manager or management firm to retain records for a     |
| 2908 | specified purpose within a specified timeframe;            |
| 2909 | relieving a manager or management firm from                |
| 2910 | responsibility if the association fails to provide         |
| 2911 | access to the records necessary to complete an ending      |
| 2912 | financial statement or report; providing a rebuttable      |
| 2913 | presumption regarding noncompliance; providing             |
| 2914 | penalties for the failure to timely return official        |
| 2915 | records; creating s. 468.4335, F.S.; requiring             |
| 2916 | community association managers and management firms to     |
| 2917 | provide a written disclosure of certain conflicts of       |
|      | 1  |

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2918 interest to the association's board; providing a 2919 rebuttable presumption as to the existence of a 2920 conflict; requiring an association to solicit multiple 2921 competitive bids for goods or services under certain 2922 circumstances; providing requirements for an 2923 association to approve any contract or transaction 2924 deemed a conflict of interest; authorizing that any 2925 such contract may be canceled, subject to certain 2926 requirements; specifying liability and nonliability of 2927 the association upon cancellation of such a contract; 2928 authorizing an association to cancel a contract with a 2929 community association manager or management firm upon 2930 a finding of a violation of certain provisions; 2931 specifying liability and nonliability of the 2932 association upon cancellation of such a contract; 2933 authorizing an association to void certain contracts 2934 if certain conflicts were not disclosed in accordance 2935 with the act; defining the term "relative"; providing 2936 applicability amending s. 468.436, F.S.; revising the list of grounds for which the Department of Business 2937 2938 and Professional Regulation may take disciplinary 2939 actions against community association managers or 2940 firms to conform to changes made by the act; amending 2941 s. 553.8445, F.S.; providing that all residential 2942 dwellings must be required to be equipped with a 2943 certain reusable device designed for a specified 2944 purpose as a condition for the issuance of certain 2945 permits and completion of a certain inspections; providing applicability; requiring the Florida 2946

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2947 Building Commission to adopt certain rules; amending 2948 s. 553.899, F.S.; revising applicability; amending s. 2949 718.103, F.S.; revising the definition of the term 2950 "alternative funding method" to conform to changes 2951 made by the act; defining the term "hurricane 2952 protection"; amending s. 718.104, F.S.; requiring that 2953 declarations specify the entity responsible for the 2954 installation, maintenance, repair, or replacement of 2955 hurricane protection; amending s. 718.111, F.S.; 2956 defining the term "kickback"; providing criminal 2957 penalties for any officer, director, or manager of an 2958 association who knowingly solicits, offers to accept, 2959 or accepts a kickback; requiring the Division of 2960 Florida Condominiums, Timeshares, and Mobile Homes to 2961 monitor compliance and issue fines and penalties for 2962 failure of an association to maintain the required 2963 insurance policy or fidelity bonding; revising the 2964 list of records that constitute the official records 2965 of an association; revising maintenance requirements 2966 for official records; revising requirements regarding 2967 requests to inspect or copy association records; 2968 requiring an association to provide a checklist in 2969 response to certain records requests; providing a 2970 rebuttable presumption regarding compliance; providing 2971 criminal penalties for certain violations regarding 2972 noncompliance with records requirements; defining the 2973 term "repeatedly"; requiring that copies of certain 2974 building permits be posted on an association's website or application; modifying the method of delivery of 2975

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2976 certain letters regarding association financial 2977 reports to unit owners; conforming a provision to changes made by the act; revising circumstances under 2978 2979 which an association may prepare certain reports; 2980 revising applicable law for criminal penalties for 2981 persons who unlawfully use a debit card issued in the 2982 name of an association; defining the term "lawful 2983 obligation of the association"; revising the threshold 2984 for associations that must post certain documents on 2985 its website or through an application; amending s. 2986 718.112, F.S.; requiring the boards of administration 2987 of associations consisting of more than a specified 2988 number of units to meet a minimum number of times each 2989 quarter; revising requirements regarding notice of 2990 such meetings; requiring a director of a board of an association to provide a written certification and 2991 2992 complete an educational requirement upon election or 2993 appointment to the board; requiring the association to 2994 bear the costs of the required educational curriculum 2995 and certificate; providing transitional provisions; 2996 requiring that an association's budget include reserve 2997 amounts for planned maintenance, in lieu of deferred 2998 maintenance; providing that, upon a determination by a 2999 specified local building official that an entire 3000 condominium building is uninhabitable due to a natural 3001 emergency, the board, upon the approval of a majority 3002 of its members, may pause contribution to reserves or 3003 reduce reserve funding for a specified period of time; 3004 authorizing an association to expend any reserve

COMMITTEE AMENDMENT

Florida Senate - 2024 Bill No. CS for SB 1178



3005 accounts held by the association to make the building 3006 and its structures habitable; requiring the 3007 association to immediately resume contributing funds 3008 to its reserve once the local building official 3009 determines the building and its structures are 3010 habitable; requiring an association to distribute or 3011 deliver copies of a structural integrity reserve study 3012 to unit owners within a specified timeframe; specifying the manner of distribution or delivery; 3013 revising the circumstances under which a director or 3014 3015 an officer must be removed from office after being 3016 charged by information or indictment; prohibiting such 3017 officers and directors with pending criminal charges 3018 from accessing the official records of any 3019 association; providing an exception; providing 3020 criminal penalties for certain fraudulent voting 3021 activities relating to association elections; requiring any person charged to be removed from office 3022 3023 and a vacancy be declared; amending s. 718.113, F.S.; 3024 providing applicability; authorizing, rather than 3025 requiring, certain hurricane protection 3026 specifications; specifying that certain actions are not material alterations or substantial additions; 3027 3028 authorizing the boards of residential and mixed-use condominiums to install or require the unit owners to 3029 3030 install hurricane protection; requiring a vote of the 3031 unit owners for the installation of hurricane 3032 protection; requiring that such vote be attested to in 3033 a certificate and recorded in certain public records;

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3034 providing requirements for such certificate; providing that the validity or enforceability of a vote of the 3035 unit owners is not affected if the board fails to 3036 3037 record a certificate or send a copy of the recorded 3038 certificate to the unit owners; providing that a vote 3039 of the unit owners is not required under certain 3040 circumstances; prohibiting installation of the same 3041 type of hurricane protection previously installed; 3042 providing exceptions; prohibiting the boards of 3043 residential and mixed-use condominiums from refusing 3044 to approve certain hurricane protections; authorizing 3045 the board to require owners to adhere to certain 3046 quidelines regarding the external appearance of a 3047 condominium; revising responsibility for the cost of 3048 removal or reinstallation of hurricane protection and 3049 certain exterior windows, doors, or apertures in 3050 certain circumstances; requiring the board to make a 3051 certain determination; providing that costs incurred 3052 by the association in connection with such removal or 3053 reinstallation completed by the association may not be 3054 charged to the unit owner; requiring reimbursement of the unit owner, or application of a credit toward 3055 3056 future assessments, in certain circumstances; 3057 authorizing the association to collect charges if the 3058 association removes or installs hurricane protection 3059 and making such charges enforceable as an assessment; 3060 amending s. 718.115, F.S.; specifying when the cost of 3061 installation of hurricane protection is not a common 3062 expense; authorizing certain expenses to be

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3063 enforceable as assessments; requiring that certain 3064 unit owners be excused from certain assessments or to 3065 receive a credit for hurricane protection that has 3066 been installed; providing credit applicability under 3067 certain circumstances; providing for the amount of 3068 credit that a unit owner must receive; specifying that 3069 certain expenses are common expenses; amending s. 3070 718.121, F.S.; conforming a cross-reference; amending 3071 s. 718.1224, F.S.; revising legislative findings and 3072 intent to conform to changes made by the act; revising 3073 the definition of the term "governmental entity"; 3074 prohibiting a condominium association from filing 3075 strategic lawsuits against public participation; 3076 prohibiting an association from taking certain action 3077 against a unit owner in response to specified conduct; 3078 prohibiting associations from expending association 3079 funds in support of certain actions against a unit owner; conforming provisions to changes made by the 3080 3081 act; amending s. 718.128, F.S.; authorizing a 3082 condominium association to conduct elections and other 3083 unit owner votes through an online voting system if a 3084 unit owner consents, either electronically or in 3085 writing, to online voting; revising applicability; 3086 amending s. 718.301, F.S.; revising items that 3087 developers are required to deliver to an association 3088 upon relinguishing control of the association; 3089 amending s. 718.3027, F.S.; revising requirements 3090 regarding attendance at a board meeting in the event 3091 of a conflict of interest; modifying circumstances

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3092 under which a contract may be voided; amending s. 3093 718.303, F.S.; requiring that a notice of nonpayment 3094 be provided to a unit owner by a specified time before 3095 an election; amending s. 718.501, F.S.; revising 3096 circumstances under which the Division of Florida 3097 Condominiums, Timeshares, and Mobile Homes has 3098 jurisdiction to investigate and enforce certain 3099 matters; requiring the division to provide official 3100 records, without charge, to a unit owner denied 3101 access; requiring the division to adopt rules related 3102 to the approval of educational curriculum providers; 3103 requiring the division to refer suspected criminal 3104 acts to the appropriate law enforcement authority; 3105 authorizing certain division officials to attend 3106 association meetings; requiring that an association's 3107 annual fee be filed concurrently with the annual 3108 certification; specifying requirements for the annual 3109 certification; requiring an association to explain on 3110 the certification the reasons any certification 3111 requirements have not been met; requiring an 3112 association to complete the certifications within a 3113 specified timeframe; requiring the association to 3114 notify the division when the certification is 3115 completed; conforming a provision to changes made by 3116 the act; amending s. 718.5011, F.S.; revising that the 3117 secretary of the Department of Business and 3118 Professional Regulation shall appoint the condominium ombudsman; amending s. 718.618, F.S.; conforming a 3119 provision to changes made by the act; amending s. 3120

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3121 719.106, F.S.; requiring that a cooperative 3122 association's budget include reserve amounts for 3123 planned maintenance, in lieu of deferred maintenance; 3124 providing an exception for certain associations to 3125 complete a structural integrity reserve study by a 3126 certain date; requiring an association to distribute 3127 or deliver copies of a structural integrity reserve 3128 study to unit owners within a specified timeframe; 3129 specifying the manner of distribution or delivery; 3130 conforming provisions to changes made by the act; 3131 amending s. 719.129, F.S.; authorizing cooperative 3132 associations to conduct elections and other unit owner 3133 votes through an online voting system if a unit owner 3134 consents, either electronically or in writing, to 3135 online voting; revising applicability; amending s. 3136 719.301, F.S.; revising items that developers are 3137 required to deliver to a cooperative association upon 3138 relinquishing control of association property; 3139 amending s. 719.618, F.S.; conforming a provision to 3140 changes made by the act; requiring the division to 3141 conduct a review of statutory requirements regarding 3142 posting of official records on a condominium 3143 association's website or application; requiring the division to submit its findings, including any 3144 3145 recommendations, to the Governor and the Legislature 3146 by a specified date; providing effective dates.