

1                                   A bill to be entitled  
 2           An act relating to not-for-profit corporations that  
 3           operate residential homeowners' associations; amending  
 4           s. 720.303, F.S.; providing requirements for not-for-  
 5           profit corporations that operate residential  
 6           homeowners' associations; providing an effective date.

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

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 10           Section 1. Subsection (1) of section 720.303, Florida  
 11   Statutes, is amended to read:

12           720.303 Association powers and duties; meetings of board;  
 13   official records; budgets; financial reporting; association  
 14   funds; recalls.—

15           (1) POWERS AND DUTIES.—

16           (a)1. An association that ~~which~~ operates a community as  
 17   defined in s. 720.301~~r~~, must be operated by an association that  
 18   is a Florida corporation. ~~After October 1, 1995,~~ The association  
 19   must be incorporated and the initial governing documents must be  
 20   recorded in the official records of the county in which the  
 21   community is located. A not-for-profit corporation incorporated  
 22   under chapter 617 that operates an association must do all of  
 23   the following:

24           a. Donate or use at least 15 percent of the association's  
 25   total annual income to benefit the community in the county in

26 | which the community served by the association is located.  
 27 |       b. Maintain, and make available upon request,  
 28 | documentation and records detailing how such funds were used or  
 29 | where such funds were donated.  
 30 |       2. An association may operate more than one community.  
 31 |       3. The officers and directors of an association have a  
 32 | fiduciary relationship to the members who are served by the  
 33 | association.  
 34 |       4. The powers and duties of an association include those  
 35 | set forth in this chapter and, except as expressly limited or  
 36 | restricted in this chapter, those set forth in the governing  
 37 | documents.  
 38 |       (b)1. After control of the association is obtained by  
 39 | members other than the developer, the association may institute,  
 40 | maintain, settle, or appeal actions or hearings in its name on  
 41 | behalf of all members concerning matters of common interest to  
 42 | the members, including, but not limited to, the common areas;  
 43 | roof or structural components of a building, or other  
 44 | improvements for which the association is responsible;  
 45 | mechanical, electrical, or plumbing elements serving an  
 46 | improvement or building for which the association is  
 47 | responsible; representations of the developer pertaining to any  
 48 | existing or proposed commonly used facility; and protesting ad  
 49 | valorem taxes on commonly used facilities.  
 50 |       2. The association may defend actions in eminent domain or

51 bring inverse condemnation actions.

52 3. Before commencing litigation against any party in the  
53 name of the association involving amounts in controversy in  
54 excess of \$100,000, the association must obtain the affirmative  
55 approval of a majority of the voting interests at a meeting of  
56 the membership at which a quorum has been attained.

57 4. This paragraph ~~subsection~~ does not limit any statutory  
58 or common-law right of any individual member or class of members  
59 to bring any action without participation by the association.

60 (c) A member does not have authority to act for the  
61 association by virtue of being a member. An association may have  
62 more than one class of members and may issue membership  
63 certificates.

64 (d) An association of 15 or fewer parcel owners may  
65 enforce only the requirements of those deed restrictions  
66 established before ~~prior to~~ the purchase of each parcel upon an  
67 affected parcel owner or owners.

68 Section 2. This act shall take effect July 1, 2024.