1	A bill to be entitled
2	An act relating to community associations; amending s.
3	514.0115, F.S.; exempting certain property association
4	pools from Department of Health regulations; amending
5	s. 553.77, F.S.; conforming cross references; amending
6	s. 627.714, F.S.; prohibiting subrogation rights
7	against a condominium association under certain
8	circumstances; creating s. 712.065, F.S.; defining the
9	term "discriminatory restriction"; providing that
10	discriminatory restrictions are unlawful,
11	unenforceable, and void; providing that discriminatory
12	restrictions are extinguished and severed from
13	recorded title transactions; specifying that the
14	recording of certain notices does not reimpose or
15	preserve a discriminatory restriction; providing
16	requirements for a parcel owner to remove a
17	discriminatory restriction from a covenant or
18	restriction; amending s. 718.111, F.S.; requiring that
19	certain records be maintained for a specified time;
20	requiring associations to maintain official records in
21	a specified manner; requiring an association to
22	provide a checklist or affidavit relating to certain
23	records to certain persons; requiring such checklist
24	or affidavit to be maintained for a time certain;
25	creating a rebuttable presumption; prohibiting an

# Page 1 of 92

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26 association from requiring certain actions relating to 27 the inspection of records; revising requirements 28 relating to the posting of digital copies of certain 29 documents by certain condominium associations; 30 amending s. 718.112, F.S.; authorizing a condominium association to extinguish discriminatory restrictions; 31 32 revising calculation of a board member's term limit; providing requirements for certain notices; revising 33 the fees an association may charge for transfers; 34 35 deleting a prohibition against employing or 36 contracting with certain service providers; amending 37 s. 718.113, F.S.; defining the terms "natural gas fuel" and "natural gas fuel vehicle"; revising 38 39 legislative findings; revising requirements for electric vehicle charging stations; providing 40 requirements for the installation of natural gas fuel 41 42 stations on property governed by condominium 43 associations; amending s. 718.117, F.S.; conforming provisions to changes made by the act; amending s. 44 718.121, F.S.; providing when the installation of a 45 natural gas fuel station may be the basis of a lien; 46 47 amending s. 718.1255, F.S.; authorizing parties to 48 initiate presuit mediation under certain 49 circumstances; specifying when arbitration is binding 50 on the parties; providing requirements for presuit

Page 2 of 92

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51 mediation; amending s. 718.202, F.S.; revising use of 52 certain withdrawn escrow funds by developers; amending 53 s. 718.303, F.S.; revising requirements for certain actions for failure to comply with specified 54 55 provisions; revising requirements for certain fines; 56 amending s. 718.501, F.S.; defining the term 57 "financial issue"; authorizing the Division of 58 Condominiums, Timeshares, and Mobile Homes to adopt 59 rules; amending s. 718.5014, F.S.; revising where the 60 principal office of the Office of the Condominium 61 Ombudsman must be maintained; amending s. 719.103, 62 F.S.; revising the definition of the term "unit" to specify that an interest in a cooperative unit is an 63 64 interest in real property; amending s. 719.104, F.S.; prohibiting an association from requiring certain 65 66 actions relating to the inspection of records; 67 amending s. 719.106, F.S.; revising provisions relating to a quorum and voting rights for members 68 69 remotely participating in meetings; amending procedure to challenge a board member recall; authorizing 70 71 cooperative associations to extinguish discriminatory 72 restrictions; amending s. 720.303, F.S.; authorizing 73 an association to adopt procedures for electronic 74 meeting notices; revising the documents that 75 constitute the official records of an association;

Page 3 of 92

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76	revising when a specified statement must be included
77	in an association's financial report; revising
78	requirements for such statement; revising when an
79	association is deemed to have provided for reserve
80	accounts; amending procedure to challenge a board
81	member recall; amending s. 720.304, F.S.; authorizing
82	a homeowner to display certain flags; amending s.
83	720.305, F.S.; providing requirements for certain
84	fines; amending s. 720.306, F.S.; revising
85	requirements for providing certain notices; providing
86	limitations on associations when a parcel owner
87	attempts to rent or lease his or her parcel; amending
88	the procedure for election disputes; amending s.
89	720.311, F.S.; amending the procedure for election
90	disputes; amending s. 720.3075, F.S.; authorizing
91	homeowners' associations to extinguish discriminatory
92	restrictions; providing an effective date.
93	
94	Be It Enacted by the Legislature of the State of Florida:
95	
96	Section 1. Subsections (3) through (7) of section
97	514.0115, Florida Statutes, are renumbered as subsections (4)
98	through (8), respectively, and a new subsection (3) is added to
99	that section, to read:
100	514.0115 Exemptions from supervision or regulation;
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Page 4 of 92

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101	variances
102	(3) Pools serving homeowners' associations and other
103	property associations which have no more than 32 units or
104	parcels and which are not operated as public lodging
105	establishments are exempt from supervision under this chapter,
106	except for water quality and ss. 514.0315, 514.05, and 514.06.
107	Section 2. Subsection (7) of section 553.77, Florida
108	Statutes, is amended to read:
109	553.77 Specific powers of the commission
110	(7) Building officials shall recognize and enforce
111	variance orders issued by the Department of Health under s.
112	514.0115(8) pursuant to s. 514.0115(7), including any conditions
113	attached to the granting of the variance.
114	Section 3. Subsection (4) of section 627.714, Florida
115	Statutes, is amended to read:
116	627.714 Residential condominium unit owner coverage; loss
117	assessment coverage required
118	(4) Every individual unit owner's residential property
119	policy must contain a provision stating that the coverage
120	afforded by such policy is excess coverage over the amount
121	recoverable under any other policy covering the same property.
122	If a condominium association's insurance policy does not provide
123	rights for subrogation against the unit owners in the
124	association, an insurance policy issued to an individual unit
125	owner located in the association may not provide rights of
	Page 5 of 92

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126 subrogation against the condominium association. 127 Section 4. Section 712.065, Florida Statutes, is created 128 to read: 129 712.065 Extinguishment of discriminatory restrictions.-(1) As used in this section, the term "discriminatory 130 131 restriction" means a provision in a title transaction recorded 132 in the state which restricts the ownership, occupancy, or use of 133 any real property in this state by any natural person on the 134 basis of a characteristic that has been held, or is held after 135 July 1, 2020, by the United States Supreme Court or the Florida 136 Supreme Court to be protected against discrimination under the 137 Fourteenth Amendment to the United States Constitution or under s. 2, Art. I of the State Constitution, including race, color, 138 139 national origin, religion, gender, or physical disability. 140 (2) A discriminatory restriction is not enforceable in the 141 state, and a discriminatory restriction contained in a title 142 transaction recorded in the state is unlawful, unenforceable, 143 and void. A discriminatory restriction contained in a previously 144 recorded title transaction is extinguished and severed from the 145 recorded title transaction and the remainder of the title 146 transaction remains enforceable and effective. The recording of a notice preserving or protecting interests or rights under s. 147 148 712.06 does not reimpose or preserve a discriminatory 149 restriction that is extinguished under this section. 150 (3) Upon request of a parcel owner, a discriminatory

Page 6 of 92

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151 restriction appearing in a covenant or restriction affecting the 152 parcel may be removed from the covenant or restriction by an 153 amendment approved by a majority vote of the board of directors 154 of the respective property owners' association or an owners' 155 association in which all owners may voluntarily join, 156 notwithstanding any other requirements for approval of an 157 amendment of the covenant or restriction. Unless the amendment 158 also changes other provisions of the covenant or restriction, 159 the recording of an amendment removing a discriminatory 160 restriction does not constitute a title transaction occurring after the root of title for purposes of s. 712.03(4). 161 162 Section 5. Paragraph (a) of subsection (1) and paragraphs 163 (a), (b), (c), (f), and (g) of subsection (12) of section 164 718.111, Florida Statutes, are amended to read: 165 718.111 The association.-166 (1)CORPORATE ENTITY.-167 (a) The operation of the condominium shall be by the 168 association, which must be a Florida corporation for profit or a 169 Florida corporation not for profit. However, any association 170 which was in existence on January 1, 1977, need not be 171 incorporated. The owners of units shall be shareholders or members of the association. The officers and directors of the 172 association have a fiduciary relationship to the unit owners. It 173 174 is the intent of the Legislature that nothing in this paragraph 175 shall be construed as providing for or removing a requirement of

#### Page 7 of 92

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176 a fiduciary relationship between any manager employed by the 177 association and the unit owners. An officer, director, or 178 manager may not solicit, offer to accept, or accept any thing or 179 service of value or kickback for which consideration has not 180 been provided for his or her own benefit or that of his or her 181 immediate family, from any person providing or proposing to 182 provide goods or services to the association. Any such officer, 183 director, or manager who knowingly so solicits, offers to accept, or accepts any thing or service of value or kickback is 184 185 subject to a civil penalty pursuant to s. 718.501(2)(d) s. 718.501(1)(d) and, if applicable, a criminal penalty as provided 186 187 in paragraph (d). However, this paragraph does not prohibit an 188 officer, director, or manager from accepting services or items 189 received in connection with trade fairs or education programs. 190 An association may operate more than one condominium.

191

(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:

A copy of the plans, permits, warranties, and other
 items provided by the developer <u>under pursuant to</u> s. 718.301(4).

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

200

3. A photocopy of the recorded bylaws of the association

#### Page 8 of 92

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the unit owners.

208

201 and each amendment to the bylaws.

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

205 5. A copy of the current rules of the association.
206 6. A book or books that contain the minutes of all
207 meetings of the association, the board of administration, and

7. A current roster of all unit owners and their mailing 209 210 addresses, unit identifications, voting certifications, and, if known, telephone numbers. The association shall also maintain 211 212 the e-mail addresses and facsimile numbers of unit owners 213 consenting to receive notice by electronic transmission. The e-214 mail addresses and facsimile numbers are not accessible to unit 215 owners if consent to receive notice by electronic transmission is not provided in accordance with sub-subparagraph (c)3.e. 216 217 However, the association is not liable for an inadvertent disclosure of the e-mail address or facsimile number for 218 219 receiving electronic transmission of notices.

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

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

### Page 9 of 92

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226 10. Bills of sale or transfer for all property owned by 227 the association.

228 11. Accounting records for the association and separate 229 accounting records for each condominium that the association 230 operates. Any person who knowingly or intentionally defaces or 231 destroys such records, or who knowingly or intentionally fails 232 to create or maintain such records, with the intent of causing 233 harm to the association or one or more of its members, is 234 personally subject to a civil penalty under s. 718.501(2)(d) 235 pursuant to s. 718.501(1)(d). The accounting records must 236 include, but are not limited to:

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

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

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

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

249 12. Ballots, sign-in sheets, voting proxies, and all other250 papers and electronic records relating to voting by unit owners,

### Page 10 of 92

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251 which must be maintained for 1 year from the date of the 252 election, vote, or meeting to which the document relates, 253 notwithstanding paragraph (b). 254 13. All rental records if the association is acting as 255 agent for the rental of condominium units. 256 14. A copy of the current question and answer sheet as described in s. 718.504. 257 15. All other written records of the association not 258 specifically included in the foregoing which are related to the 259 260 operation of the association. 261 15.16. A copy of the inspection report as described in s. 262 718.301(4)(p). 263 16.17. Bids for materials, equipment, or services. 264 17. All other written records of the association not 265 specifically included in subparagraphs 1.-16. which are related 266 to the operation of the association. 267 (b) The official records specified in subparagraphs (a)1.-268 6. must be permanently maintained from the inception of the 269 association. Bids for work to be performed or for materials, 270 equipment, or services must be maintained for at least 1 year 271 after receipt of the bid. All other official records must be 272 maintained within the state for at least 7 years, unless otherwise provided by general law. All official records must be 273 274 maintained in a manner and format determined by the division so 275 that the records are easily accessible for inspection. The

Page 11 of 92

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276 records of the association shall be made available to a unit 277 owner within 45 miles of the condominium property or within the 278 county in which the condominium property is located within 10 279 working days after receipt of a written request by the board or 280 its designee. However, such distance requirement does not apply 281 to an association governing a timeshare condominium. This 282 paragraph may be complied with by having a copy of the official 283 records of the association available for inspection or copying 284 on the condominium property or association property, or the 285 association may offer the option of making the records available to a unit owner electronically via the Internet or by allowing 286 the records to be viewed in electronic format on a computer 287 screen and printed upon request. The association is not 288 289 responsible for the use or misuse of the information provided to 290 an association member or his or her authorized representative in 291 pursuant to the compliance with requirements of this chapter 292 unless the association has an affirmative duty not to disclose 293 such information under pursuant to this chapter.

(c)1. The official records of the association are open to inspection by any association member or the authorized representative of such member at all reasonable times. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the member or authorized representative of such member. A renter of a unit only has a right to inspect and copy the <u>declaration of</u>

#### Page 12 of 92

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301	condominium and association's bylaws and rules. The association
302	must provide a checklist to the member or the authorized
303	representative of such member of all records that are made
304	available for inspection and copying in response to a written
305	request. If any of the association's official records are not
306	available, such records must be identified on the checklist
307	provided to the person requesting the records. The checklist
308	must be signed by a manager licensed under part VIII of chapter
309	468 certifying that the checklist is accurate to the best of his
310	or her knowledge and belief or the association must provide the
311	person requesting the records a sworn affidavit attesting to the
312	veracity of the checklist executed by the person responding to
313	the written request on behalf of the association. The
314	association must maintain a copy of the checklist and affidavit,
315	if required, for at least 7 years. Delivery of the checklist and
316	affidavit, if required, to the person requesting the records
317	creates a rebuttable presumption that the association complied
318	with this paragraph. The division may adopt a rule outlining the
319	requirements of the checklist under this subparagraph. The
320	association may adopt reasonable rules regarding the frequency,
321	time, location, notice, and manner of record inspections and
322	copying, but may not require a member to demonstrate any purpose
323	or state any reason for the inspection. The failure of an
324	association to provide the records within 10 working days after
325	receipt of a written request creates a rebuttable presumption

# Page 13 of 92

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that the association willfully failed to comply with this 326 327 paragraph. A unit owner who is denied access to official records 328 is entitled to the actual damages or minimum damages for the 329 association's willful failure to comply. Minimum damages are \$50 330 per calendar day for up to 10 days, beginning on the 11th 331 working day after receipt of the written request. The failure to 332 permit inspection entitles any person prevailing in an 333 enforcement action to recover reasonable attorney fees from the 334 person in control of the records who, directly or indirectly, 335 knowingly denied access to the records.

336 Any person who knowingly or intentionally defaces or 2. 337 destroys accounting records that are required by this chapter to be maintained during the period for which such records are 338 339 required to be maintained, or who knowingly or intentionally 340 fails to create or maintain accounting records that are required 341 to be created or maintained, with the intent of causing harm to 342 the association or one or more of its members, is personally 343 subject to a civil penalty under s. 718.501(2)(d) <del>pursuant to s.</del> 344 <del>718.501(1)(d)</del>.

345 3. The association shall maintain an adequate number of 346 copies of the declaration, articles of incorporation, bylaws, 347 and rules, and all amendments to each of the foregoing, as well 348 as the question and answer sheet as described in s. 718.504 and 349 year-end financial information required under this section, on 350 the condominium property to ensure their availability to unit

#### Page 14 of 92

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351 owners and prospective purchasers, and may charge its actual 352 costs for preparing and furnishing these documents to those 353 requesting the documents. An association shall allow a member or 354 his or her authorized representative to use a portable device, 355 including a smartphone, tablet, portable scanner, or any other 356 technology capable of scanning or taking photographs, to make an 357 electronic copy of the official records in lieu of the 358 association's providing the member or his or her authorized representative with a copy of such records. The association may 359 360 not charge a member or his or her authorized representative for 361 the use of a portable device. Notwithstanding this paragraph, 362 the following records are not accessible to unit owners:

Any record protected by the lawyer-client privilege as 363 a. 364 described in s. 90.502 and any record protected by the work-365 product privilege, including a record prepared by an association 366 attorney or prepared at the attorney's express direction, which 367 reflects a mental impression, conclusion, litigation strategy, 368 or legal theory of the attorney or the association, and which 369 was prepared exclusively for civil or criminal litigation or for 370 adversarial administrative proceedings, or which was prepared in 371 anticipation of such litigation or proceedings until the 372 conclusion of the litigation or proceedings.

373 b. Information obtained by an association in connection 374 with the approval of the lease, sale, or other transfer of a 375 unit.

### Page 15 of 92

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376 c. Personnel records of association or management company 377 employees, including, but not limited to, disciplinary, payroll, 378 health, and insurance records. For purposes of this sub-379 subparagraph, the term "personnel records" does not include 380 written employment agreements with an association employee or 381 management company, or budgetary or financial records that 382 indicate the compensation paid to an association employee.

383

d. Medical records of unit owners.

Social security numbers, driver license numbers, credit 384 e. 385 card numbers, e-mail addresses, telephone numbers, facsimile 386 numbers, emergency contact information, addresses of a unit 387 owner other than as provided to fulfill the association's notice requirements, and other personal identifying information of any 388 389 person, excluding the person's name, unit designation, mailing 390 address, property address, and any address, e-mail address, or 391 facsimile number provided to the association to fulfill the 392 association's notice requirements. Notwithstanding the 393 restrictions in this sub-subparagraph, an association may print 394 and distribute to unit parcel owners a directory containing the name, unit parcel address, and all telephone numbers of each 395 396 unit parcel owner. However, an owner may exclude his or her 397 telephone numbers from the directory by so requesting in writing to the association. An owner may consent in writing to the 398 disclosure of other contact information described in this sub-399 400 subparagraph. The association is not liable for the inadvertent

### Page 16 of 92

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401 disclosure of information that is protected under this sub-402 subparagraph if the information is included in an official 403 record of the association and is voluntarily provided by an 404 owner and not requested by the association.

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

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

(f) An outgoing board or committee member must relinquish 411 412 all official records and property of the association in his or her possession or under his or her control to the incoming board 413 414 within 5 days after the election. The division shall impose a 415 civil penalty as set forth in s. 718.501(2)(d)6. s. 416 718.501(1)(d)6. against an outgoing board or committee member 417 who willfully and knowingly fails to relinquish such records and 418 property.

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

425

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

#### Page 17 of 92

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426 An independent website, application, or web portal (I) 427 wholly owned and operated by the association; or 428 A website, application, or web portal operated by a (II)429 third-party provider with whom the association owns, leases, 430 rents, or otherwise obtains the right to operate a web page, 431 subpage, web portal, or collection of subpages or web portals, 432 or application which is dedicated to the association's 433 activities and on which required notices, records, and documents 434 may be posted or made available by the association. The association's website or application must be 435 b. accessible through the Internet and must contain a subpage, web 436 437 portal, or other protected electronic location that is 438 inaccessible to the general public and accessible only to unit 439 owners and employees of the association. 440 Upon a unit owner's written request, the association с. must provide the unit owner with a username and password and 441 442 access to the protected sections of the association's website or 443 application that contain any notices, records, or documents that 444 must be electronically provided. 2. A current copy of the following documents must be 445

446 posted in digital format on the association's website or 447 application:

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

## Page 18 of 92

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451 The recorded bylaws of the association and each b. 452 amendment to the bylaws. 453 The articles of incorporation of the association, or с. 454 other documents creating the association, and each amendment to 455 the articles of incorporation or other documents thereto. The 456 copy posted pursuant to this sub-subparagraph must be a copy of 457 the articles of incorporation filed with the Department of 458 State. 459 The rules of the association. d. 460 e. A list of all executory contracts or documents to which 461 the association is a party or under which the association or the 462 unit owners have an obligation or responsibility and, after 463 bidding for the related materials, equipment, or services has 464 closed, a list of bids received by the association within the 465 past year. Summaries of bids for materials, equipment, or 466 services which exceed \$500 must be maintained on the website or 467 application for 1 year. In lieu of summaries, complete copies of 468 the bids may be posted. 469 f. The annual budget required by s. 718.112(2)(f) and any 470 proposed budget to be considered at the annual meeting. 471 The financial report required by subsection (13) and q.

472 any monthly income or expense statement to be considered at a 473 meeting.

474 h. The certification of each director required by s.475 718.112(2)(d)4.b.

## Page 19 of 92

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

j. Any contract or document regarding a conflict of
interest or possible conflict of interest as provided in ss.
483 468.436(2)(b)6. and 718.3027(3).

The notice of any unit owner meeting and the agenda for 484 k. the meeting, as required by s. 718.112(2)(d)3., no later than 14 485 486 days before the meeting. The notice must be posted in plain view 487 on the front page of the website or application, or on a 488 separate subpage of the website or application labeled "Notices" 489 which is conspicuously visible and linked from the front page. 490 The association must also post on its website or application any 491 document to be considered and voted on by the owners during the 492 meeting or any document listed on the agenda at least 7 days 493 before the meeting at which the document or the information 494 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 <u>under pursuant to</u> s. 718.112(2)(c).

3. The association shall ensure that the information and records described in paragraph (c), which are not allowed to be

### Page 20 of 92

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501 accessible to unit owners, are not posted on the association's 502 website or application. If protected information or information 503 restricted from being accessible to unit owners is included in 504 documents that are required to be posted on the association's 505 website or application, the association shall ensure the 506 information is redacted before posting the documents online. 507 Notwithstanding the foregoing, the association or its agent is 508 not liable for disclosing information that is protected or 509 restricted under pursuant to this paragraph unless such disclosure was made with a knowing or intentional disregard of 510 511 the protected or restricted nature of such information.

512 4. The failure of the association to post information 513 required under subparagraph 2. is not in and of itself 514 sufficient to invalidate any action or decision of the 515 association's board or its committees.

516 Section 6. Paragraphs (d), (i), (j), (k), and (p) of 517 subsection (2) of section 718.112, Florida Statutes, are 518 amended, and paragraph (c) is added to subsection (1) of that 519 section, to read:

- 520 718.112 Bylaws.-
- 521 (1) GENERALLY.-

522 (c) The association may extinguish a discriminatory 523 restriction as provided under s. 712.065.

524 (2) REQUIRED PROVISIONS.—The bylaws shall provide for the 525 following and, if they do not do so, shall be deemed to include

# Page 21 of 92

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526 the following:

527

(d) Unit owner meetings.-

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

Unless the bylaws provide otherwise, a vacancy on the 534 2. 535 board caused by the expiration of a director's term must be 536 filled by electing a new board member, and the election must be 537 by secret ballot. An election is not required if the number of vacancies equals or exceeds the number of candidates. For 538 539 purposes of this paragraph, the term "candidate" means an 540 eligible person who has timely submitted the written notice, as 541 described in sub-subparagraph 4.a., of his or her intention to 542 become a candidate. Except in a timeshare or nonresidential 543 condominium, or if the staggered term of a board member does not expire until a later annual meeting, or if all members' terms 544 545 would otherwise expire but there are no candidates, the terms of 546 all board members expire at the annual meeting, and such members 547 may stand for reelection unless prohibited by the bylaws. Board members may serve terms longer than 1 year if permitted by the 548 bylaws or articles of incorporation. A board member may not 549 550 serve more than 8 consecutive years unless approved by an

### Page 22 of 92

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551 affirmative vote of unit owners representing two-thirds of all 552 votes cast in the election or unless there are not enough 553 eligible candidates to fill the vacancies on the board at the 554 time of the vacancy. Only board service that occurs on or after 555 July 1, 2018, may be used when calculating a board member's term 556 limit. If the number of board members whose terms expire at the 557 annual meeting equals or exceeds the number of candidates, the 558 candidates become members of the board effective upon the 559 adjournment of the annual meeting. Unless the bylaws provide otherwise, any remaining vacancies shall be filled by the 560 561 affirmative vote of the majority of the directors making up the 562 newly constituted board even if the directors constitute less 563 than a quorum or there is only one director. In a residential condominium association of more than 10 units or in a 564 565 residential condominium association that does not include 566 timeshare units or timeshare interests, co-owners of a unit may 567 not serve as members of the board of directors at the same time unless they own more than one unit or unless there are not 568 569 enough eligible candidates to fill the vacancies on the board at 570 the time of the vacancy. A unit owner in a residential 571 condominium desiring to be a candidate for board membership must 572 comply with sub-subparagraph 4.a. and must be eligible to be a candidate to serve on the board of directors at the time of the 573 deadline for submitting a notice of intent to run in order to 574 575 have his or her name listed as a proper candidate on the ballot

### Page 23 of 92

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576 or to serve on the board. A person who has been suspended or 577 removed by the division under this chapter, or who is delinquent 578 in the payment of any monetary obligation due to the 579 association, is not eligible to be a candidate for board 580 membership and may not be listed on the ballot. A person who has 581 been convicted of any felony in this state or in a United States 582 District or Territorial Court, or who has been convicted of any 583 offense in another jurisdiction which would be considered a felony if committed in this state, is not eligible for board 584 585 membership unless such felon's civil rights have been restored 586 for at least 5 years as of the date such person seeks election 587 to the board. The validity of an action by the board is not 588 affected if it is later determined that a board member is 589 ineligible for board membership due to having been convicted of 590 a felony. This subparagraph does not limit the term of a member 591 of the board of a nonresidential or timeshare condominium. 592 3. The bylaws must provide the method of calling meetings

593 of unit owners, including annual meetings. Written notice of an 594 annual meeting must include an agenda;, must be mailed, hand 595 delivered, or electronically transmitted to each unit owner at 596 least 14 days before the annual meeting;  $\tau$  and must be posted in 597 a conspicuous place on the condominium property at least 14 continuous days before the annual meeting. Written notice of a 598 599 meeting other than an annual meeting must include an agenda; be mailed, hand delivered, or electronically transmitted to each 600

#### Page 24 of 92

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601 unit owner; and be posted in a conspicuous place on the 602 condominium property in accordance with the minimum period of 603 time for posting a notice as set forth in the bylaws, and if the bylaws do not provide such notice requirements, then at least 14 604 605 continuous days before the meeting. Upon notice to the unit 606 owners, the board shall, by duly adopted rule, designate a 607 specific location on the condominium property where all notices 608 of unit owner meetings must be posted. This requirement does not 609 apply if there is no condominium property for posting notices. In lieu of, or in addition to, the physical posting of meeting 610 notices, the association may, by reasonable rule, adopt a 611 612 procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit cable television 613 614 system serving the condominium association. However, if 615 broadcast notice is used in lieu of a notice posted physically 616 on the condominium property, the notice and agenda must be 617 broadcast at least four times every broadcast hour of each day that a posted notice is otherwise required under this section. 618 619 If broadcast notice is provided, the notice and agenda must be 620 broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and 621 622 read and comprehend the entire content of the notice and the agenda. In addition to any of the authorized means of providing 623 notice of a meeting of the board, the association may, by rule, 624 625 adopt a procedure for conspicuously posting the meeting notice

### Page 25 of 92

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626 and the agenda on a website serving the condominium association 627 for at least the minimum period of time for which a notice of a 628 meeting is also required to be physically posted on the 629 condominium property. Any rule adopted shall, in addition to 630 other matters, include a requirement that the association send 631 an electronic notice in the same manner as a notice for a 632 meeting of the members, which must include a hyperlink to the 633 website where the notice is posted, to unit owners whose e-mail 634 addresses are included in the association's official records. 635 Unless a unit owner waives in writing the right to receive notice of the annual meeting, such notice must be hand 636 637 delivered, mailed, or electronically transmitted to each unit 638 owner. Notice for meetings and notice for all other purposes 639 must be mailed to each unit owner at the address last furnished 640 to the association by the unit owner, or hand delivered to each unit owner. However, if a unit is owned by more than one person, 641 642 the association must provide notice to the address that the 643 developer identifies for that purpose and thereafter as one or 644 more of the owners of the unit advise the association in 645 writing, or if no address is given or the owners of the unit do 646 not agree, to the address provided on the deed of record. An officer of the association, or the manager or other person 647 providing notice of the association meeting, must provide an 648 affidavit or United States Postal Service certificate of 649 650 mailing, to be included in the official records of the

### Page 26 of 92

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association affirming that the notice was mailed or handdelivered in accordance with this provision.

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

a. At least 60 days before a scheduled election, the 660 661 association shall mail, deliver, or electronically transmit, by 662 separate association mailing or included in another association 663 mailing, delivery, or transmission, including regularly 664 published newsletters, to each unit owner entitled to a vote, a 665 first notice of the date of the election. A unit owner or other 666 eligible person desiring to be a candidate for the board must 667 give written notice of his or her intent to be a candidate to 668 the association at least 40 days before a scheduled election. 669 Together with the written notice and agenda as set forth in 670 subparagraph 3., the association shall mail, deliver, or electronically transmit a second notice of the election to all 671 672 unit owners entitled to vote, together with a ballot that lists all candidates not less than 14 days or more than 34 days before 673 674 the date of the election. Upon request of a candidate, an 675 information sheet, no larger than 8 1/2 inches by 11 inches,

### Page 27 of 92

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676 which must be furnished by the candidate at least 35 days before 677 the election, must be included with the mailing, delivery, or 678 transmission of the ballot, with the costs of mailing, delivery, 679 or electronic transmission and copying to be borne by the 680 association. The association is not liable for the contents of 681 the information sheets prepared by the candidates. In order to 682 reduce costs, the association may print or duplicate the 683 information sheets on both sides of the paper. The division 684 shall by rule establish voting procedures consistent with this 685 sub-subparagraph, including rules establishing procedures for 686 giving notice by electronic transmission and rules providing for 687 the secrecy of ballots. Elections shall be decided by a 688 plurality of ballots cast. There is no quorum requirement; 689 however, at least 20 percent of the eligible voters must cast a 690 ballot in order to have a valid election. A unit owner may not 691 authorize any other person to vote his or her ballot, and any 692 ballots improperly cast are invalid. A unit owner who violates 693 this provision may be fined by the association in accordance 694 with s. 718.303. A unit owner who needs assistance in casting 695 the ballot for the reasons stated in s. 101.051 may obtain such 696 assistance. The regular election must occur on the date of the 697 annual meeting. Notwithstanding this sub-subparagraph, an election is not required unless more candidates file notices of 698 intent to run or are nominated than board vacancies exist. 699 700 Within 90 days after being elected or appointed to the b.

### Page 28 of 92

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701 board of an association of a residential condominium, each newly 702 elected or appointed director shall certify in writing to the 703 secretary of the association that he or she has read the 704 association's declaration of condominium, articles of 705 incorporation, bylaws, and current written policies; that he or 706 she will work to uphold such documents and policies to the best 707 of his or her ability; and that he or she will faithfully 708 discharge his or her fiduciary responsibility to the association's members. In lieu of this written certification, 709 within 90 days after being elected or appointed to the board, 710 711 the newly elected or appointed director may submit a certificate 712 of having satisfactorily completed the educational curriculum 713 administered by a division-approved condominium education 714 provider within 1 year before or 90 days after the date of 715 election or appointment. The written certification or 716 educational certificate is valid and does not have to be 717 resubmitted as long as the director serves on the board without interruption. A director of an association of a residential 718 719 condominium who fails to timely file the written certification 720 or educational certificate is suspended from service on the 721 board until he or she complies with this sub-subparagraph. The 722 board may temporarily fill the vacancy during the period of suspension. The secretary shall cause the association to retain 723 a director's written certification or educational certificate 724 725 for inspection by the members for 5 years after a director's

### Page 29 of 92

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726 election or the duration of the director's uninterrupted tenure, 727 whichever is longer. Failure to have such written certification 728 or educational certificate on file does not affect the validity 729 of any board action.

730 c. Any challenge to the election process must be commenced731 within 60 days after the election results are announced.

732 5. Any approval by unit owners called for by this chapter 733 or the applicable declaration or bylaws, including, but not 734 limited to, the approval requirement in s. 718.111(8), must be 735 made at a duly noticed meeting of unit owners and is subject to 736 all requirements of this chapter or the applicable condominium 737 documents relating to unit owner decisionmaking, except that 738 unit owners may take action by written agreement, without 739 meetings, on matters for which action by written agreement 740 without meetings is expressly allowed by the applicable bylaws 741 or declaration or any law that provides for such action.

742 6. Unit owners may waive notice of specific meetings if 743 allowed by the applicable bylaws or declaration or any law. 744 Notice of meetings of the board of administration, unit owner 745 meetings, except unit owner meetings called to recall board 746 members under paragraph (j), and committee meetings may be given 747 by electronic transmission to unit owners who consent to receive notice by electronic transmission. A unit owner who consents to 748 749 receiving notices by electronic transmission is solely 750 responsible for removing or bypassing filters that block receipt

### Page 30 of 92

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751 of mass <u>e-mails</u> <del>cmails</del> sent to members on behalf of the 752 association in the course of giving electronic notices.

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

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

760 9. Unless otherwise provided in the bylaws, any vacancy 761 occurring on the board before the expiration of a term may be 762 filled by the affirmative vote of the majority of the remaining 763 directors, even if the remaining directors constitute less than 764 a quorum, or by the sole remaining director. In the alternative, 765 a board may hold an election to fill the vacancy, in which case 766 the election procedures must conform to sub-subparagraph 4.a. 767 unless the association governs 10 units or fewer and has opted out of the statutory election process, in which case the bylaws 768 769 of the association control. Unless otherwise provided in the 770 bylaws, a board member appointed or elected under this section 771 shall fill the vacancy for the unexpired term of the seat being 772 filled. Filling vacancies created by recall is governed by paragraph (j) and rules adopted by the division. 773

10. This chapter does not limit the use of general orlimited proxies, require the use of general or limited proxies,

### Page 31 of 92

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780

776 or require the use of a written ballot or voting machine for any 777 agenda item or election at any meeting of a timeshare 778 condominium association or nonresidential condominium 779 association.

781 Notwithstanding subparagraph (b)2. and sub-subparagraph 4.a., an 782 association of 10 or fewer units may, by affirmative vote of a 783 majority of the total voting interests, provide for different voting and election procedures in its bylaws, which may be by a 784 785 proxy specifically delineating the different voting and election 786 procedures. The different voting and election procedures may 787 provide for elections to be conducted by limited or general 788 proxy.

789 (i) Transfer fees.-An association may not no charge a fee 790 shall be made by the association or any body thereof in 791 connection with the sale, mortgage, lease, sublease, or other 792 transfer of a unit unless the association is required to approve 793 such transfer and a fee for such approval is provided for in the 794 declaration, articles, or bylaws. Any such fee may be preset, 795 but may not in no event may such fee exceed \$150 \$100 per 796 applicant other than spouses or parent and dependent child, who 797 husband/wife or parent/dependent child, which are considered one 798 applicant. However, if the lease or sublease is a renewal of a 799 lease or sublease with the same lessee or sublessee, a charge 800 may not no charge shall be made. Such fees shall be adjusted

Page 32 of 92

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801 every 5 years in an amount equal to the total of the annual 802 increases for that 5-year period in the Consumer Price Index for 803 All Urban Consumers, U.S. City Average, All Items. The Department of Business and Professional Regulation shall 804 805 periodically calculate the fees, rounded to the nearest dollar, 806 and publish the amounts, as adjusted, on its website. The 807 foregoing notwithstanding, an association may, if the authority 808 to do so appears in the declaration, articles, or bylaws, 809 require that a prospective lessee place a security deposit, in an amount not to exceed the equivalent of 1 month's rent, into 810 811 an escrow account maintained by the association. The security 812 deposit shall protect against damages to the common elements or 813 association property. Payment of interest, claims against the 814 deposit, refunds, and disputes under this paragraph shall be 815 handled in the same fashion as provided in part II of chapter 816 83. 817 (ij) Recall of board members.-Subject to s. 718.301, any 818 member of the board of administration may be recalled and 819 removed from office with or without cause by the vote or

agreement in writing by a majority of all the voting interests. A special meeting of the unit owners to recall a member or members of the board of administration may be called by 10 percent of the voting interests giving notice of the meeting as required for a meeting of unit owners, and the notice shall state the purpose of the meeting. Electronic transmission may

#### Page 33 of 92

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826 not be used as a method of giving notice of a meeting called in 827 whole or in part for this purpose.

828 1. If the recall is approved by a majority of all voting 829 interests by a vote at a meeting, the recall will be effective 830 as provided in this paragraph. The board shall duly notice and 831 hold a board meeting within 5 full business days after the 832 adjournment of the unit owner meeting to recall one or more board members. Such member or members shall be recalled 833 effective immediately upon conclusion of the board meeting, 834 provided that the recall is facially valid. A recalled member 835 836 must turn over to the board, within 10 full business days after 837 the vote, any and all records and property of the association in 838 their possession.

839 2. If the proposed recall is by an agreement in writing by 840 a majority of all voting interests, the agreement in writing or 841 a copy thereof shall be served on the association by certified 842 mail or by personal service in the manner authorized by chapter 48 and the Florida Rules of Civil Procedure. The board of 843 844 administration shall duly notice and hold a meeting of the board 845 within 5 full business days after receipt of the agreement in 846 writing. Such member or members shall be recalled effective 847 immediately upon the conclusion of the board meeting, provided that the recall is facially valid. A recalled member must turn 848 over to the board, within 10 full business days, any and all 849 850 records and property of the association in their possession.

### Page 34 of 92

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3. If the board fails to duly notice and hold a board meeting within 5 full business days after service of an agreement in writing or within 5 full business days after the adjournment of the unit owner recall meeting, the recall <u>is</u> shall be deemed effective and the board members so recalled shall turn over to the board within 10 full business days after the vote any and all records and property of the association.

858 If the board fails to duly notice and hold the required 4. 859 meeting or at the conclusion of the meeting determines that the recall is not facially valid, the unit owner representative may 860 861 file a petition or court action under <del>pursuant to</del> s. 718.1255 862 challenging the board's failure to act or challenging the 863 board's determination on facial validity. The petition or action 864 must be filed within 60 days after the expiration of the 865 applicable 5-full-business-day period. The review of a petition 866 or action under this subparagraph is limited to the sufficiency 867 of service on the board and the facial validity of the written agreement or ballots filed. 868

5. If a vacancy occurs on the board as a result of a recall or removal and less than a majority of the board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, notwithstanding any provision to the contrary contained in this subsection. If vacancies occur on the board as a result of a recall and a majority or more of the board members are removed, the vacancies

#### Page 35 of 92

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876 shall be filled in accordance with procedural rules to be 877 adopted by the division, which rules need not be consistent with 878 this subsection. The rules must provide procedures governing the 879 conduct of the recall election as well as the operation of the 880 association during the period after a recall but before the 881 recall election.

882 6. A board member who has been recalled may file a 883 petition or court action under pursuant to s. 718.1255 challenging the validity of the recall. The petition or action 884 885 must be filed within 60 days after the recall. The association 886 and the unit owner representative shall be named as the 887 respondents. The petition or action may challenge the facial 888 validity of the written agreement or ballots filed or the 889 substantial compliance with the procedural requirements for the 890 recall. If the arbitrator or court determines the recall was 891 invalid, the petitioning board member shall immediately be 892 reinstated and the recall is null and void. A board member who 893 is successful in challenging a recall is entitled to recover 894 reasonable attorney fees and costs from the respondents. The 895 arbitrator or court may award reasonable attorney fees and costs 896 to the respondents if they prevail, if the arbitrator or court 897 makes a finding that the petitioner's claim is frivolous.

898 7. The division <u>or a court of competent jurisdiction</u> may 899 not accept for filing a recall petition <u>or court action</u>, whether 900 filed <u>under pursuant to</u> subparagraph 1., subparagraph 2.,

### Page 36 of 92

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901 subparagraph 4., or subparagraph 6. when there are 60 or fewer 902 days until the scheduled reelection of the board member sought 903 to be recalled or when 60 or fewer days have elapsed since the 904 election of the board member sought to be recalled.

905 (k) <u>Alternative dispute resolution</u> Arbitration.—There <u>must</u> 906 shall be a provision for mandatory <u>alternative dispute</u> 907 <u>resolution</u> <del>nonbinding arbitration</del> as provided for in s. 718.1255 908 for any residential condominium.

909 (p) Service providers; conflicts of interest.-An 910 association, which is not a timeshare condominium association, 911 may not employ or contract with any service provider that is 912 owned or operated by a board member or with any person who has a 913 financial relationship with a board member or officer, or a 914 relative within the third degree of consanguinity by blood or 915 marriage of a board member or officer. This paragraph does not 916 apply to a service provider in which a board member or officer, 917 or a relative within the third degree of consanguinity by blood or marriage of a board member or officer, owns less than 1 918 919 percent of the equity shares.

920 Section 7. Subsection (8) of section 718.113, Florida 921 Statutes, is amended to read:

922 718.113 Maintenance; limitation upon improvement; display 923 of flag; hurricane shutters and protection; display of religious 924 decorations.-

925

(8) The Legislature finds that the use of electric and

## Page 37 of 92

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926 natural gas fuel vehicles conserves and protects the state's 927 environmental resources, provides significant economic savings 928 to drivers, and serves an important public interest. The 929 participation of condominium associations is essential to the 930 state's efforts to conserve and protect the state's 931 environmental resources and provide economic savings to drivers. 932 For purposes of this subsection, the term "natural gas fuel" has the same meaning as in s. 206.9951, and the term "natural gas 933 934 fuel vehicle" means any motor vehicle, as defined in s. 320.01, that is powered by natural gas fuel. Therefore, the installation 935 of an electric vehicle charging station or natural gas fuel 936 937 station shall be governed as follows:

A declaration of condominium or restrictive covenant 938 (a) 939 may not prohibit or be enforced so as to prohibit any unit owner 940 from installing an electric vehicle charging station or natural 941 gas fuel station within the boundaries of the unit owner's 942 limited common element or exclusively designated parking area. The board of administration of a condominium association may not 943 944 prohibit a unit owner from installing an electric vehicle 945 charging station for an electric vehicle, as defined in s. 320.01, or a natural gas fuel station for a natural gas fuel 946 947 vehicle within the boundaries of his or her limited common 948 element or exclusively designated parking area. The installation of such charging or fuel stations are subject to the provisions 949 of this subsection. 950

## Page 38 of 92

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951 The installation may not cause irreparable damage to (b) 952 the condominium property. 953 (C) The electricity for the electric vehicle charging 954 station or natural gas fuel station must be separately metered 955 or metered by an embedded meter and payable by the unit owner 956 installing such charging or fuel station or by his or her 957 successor. 958 (d) The cost for supply and storage of the natural gas 959 fuel must be paid by the unit owner installing the natural gas 960 fuel station or by his or her successor. 961 (e) (d) The unit owner who is installing an electric 962 vehicle charging station or natural gas fuel station is 963 responsible for the costs of installation, operation, 964 maintenance, and repair, including, but not limited to, hazard 965 and liability insurance. The association may enforce payment of 966 such costs under <del>pursuant to</del> s. 718.116. 967 (f) (e) If the unit owner or his or her successor decides 968 there is no longer a need for the electronic vehicle charging 969 station or natural gas fuel station, such person is responsible 970 for the cost of removal of such the electronic vehicle charging 971 or fuel station. The association may enforce payment of such 972 costs under <del>pursuant to</del> s. 718.116. 973 The unit owner installing, maintaining, or removing (g) 974 the electric vehicle charging station or natural gas fuel 975 station is responsible for complying with all federal, state, or

Page 39 of 92

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976 local laws and regulations applicable to such installation, 977 maintenance, or removal.

978 (h) (f) The association may require the unit owner to:

979 Comply with bona fide safety requirements, consistent 1. 980 with applicable building codes or recognized safety standards, 981 for the protection of persons and property.

982 2. Comply with reasonable architectural standards adopted 983 by the association that govern the dimensions, placement, or external appearance of the electric vehicle charging station or 984 985 natural gas fuel station, provided that such standards may not 986 prohibit the installation of such charging or fuel station or 987 substantially increase the cost thereof.

988 3. Engage the services of a licensed and registered firm 989 electrical contractor or engineer familiar with the installation 990 or removal and core requirements of an electric vehicle charging 991 station or natural gas fuel station.

992 4. Provide a certificate of insurance naming the 993 association as an additional insured on the owner's insurance 994 policy for any claim related to the installation, maintenance, 995 or use of the electric vehicle charging station or natural gas 996 fuel station within 14 days after receiving the association's 997 approval to install such charging or fuel station or notice to 998 provide such a certificate.

Reimburse the association for the actual cost of any 999 5. 1000 increased insurance premium amount attributable to the electric

# Page 40 of 92

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1001 vehicle charging station or natural gas fuel station within 14
1002 days after receiving the association's insurance premium
1003 invoice.

1004 <u>(i) (g)</u> The association provides an implied easement across 1005 the common elements of the condominium property to the unit 1006 owner for purposes of the installation of the electric vehicle 1007 charging station <u>or natural gas fuel station installation</u>, and 1008 the furnishing of electrical power <u>or natural gas fuel supply</u>, 1009 including any necessary equipment, to such charging <u>or fuel</u> 1010 station, subject to the requirements of this subsection.

1011 Section 8. Subsection (16) of section 718.117, Florida 1012 Statutes, is amended to read:

1013

718.117 Termination of condominium.-

1014 (16) RIGHT TO CONTEST.-A unit owner or lienor may contest 1015 a plan of termination by initiating a petition in accordance with for mandatory nonbinding arbitration pursuant to s. 1016 1017 718.1255 within 90 days after the date the plan is recorded. A 1018 unit owner or lienor may only contest the fairness and 1019 reasonableness of the apportionment of the proceeds from the 1020 sale among the unit owners, that the liens of the first 1021 mortgages of unit owners other than the bulk owner have not or 1022 will not be satisfied to the extent required by subsection (3), 1023 or that the required vote to approve the plan was not obtained. A unit owner or lienor who does not contest the plan within the 1024 1025 90-day period is barred from asserting or prosecuting a claim

### Page 41 of 92

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1026 against the association, the termination trustee, any unit 1027 owner, or any successor in interest to the condominium property. 1028 In an action contesting a plan of termination, the person 1029 contesting the plan has the burden of pleading and proving that 1030 the apportionment of the proceeds from the sale among the unit 1031 owners was not fair and reasonable or that the required vote was 1032 not obtained. The apportionment of sale proceeds is presumed 1033 fair and reasonable if it was determined pursuant to the methods 1034 prescribed in subsection (12). If the petition is filed with the 1035 division for arbitration, the arbitrator shall determine the rights and interests of the parties in the apportionment of the 1036 1037 sale proceeds. If the arbitrator determines that the 1038 apportionment of sales proceeds is not fair and reasonable, the 1039 arbitrator may void the plan or may modify the plan to apportion the proceeds in a fair and reasonable manner pursuant to this 1040 1041 section based upon the proceedings and order the modified plan 1042 of termination to be implemented. If the arbitrator determines 1043 that the plan was not properly approved, or that the procedures 1044 to adopt the plan were not properly followed, the arbitrator may 1045 void the plan or grant other relief it deems just and proper. 1046 The arbitrator shall automatically void the plan upon a finding that any of the disclosures required in subparagraph (3)(c)5. 1047 1048 are omitted, misleading, incomplete, or inaccurate. Any challenge to a plan, other than a challenge that the required 1049 1050 vote was not obtained, does not affect title to the condominium

## Page 42 of 92

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1051 property or the vesting of the condominium property in the 1052 trustee, but shall only be a claim against the proceeds of the 1053 plan. In any such action, the prevailing party shall recover 1054 reasonable attorney fees and costs.

1055 Section 9. Subsection (2) of section 718.121, Florida 1056 Statutes, is amended to read:

1057

718.121 Liens.-

1058 Labor performed on or materials furnished to a unit (2) 1059 may shall not be the basis for the filing of a lien under 1060 pursuant to part I of chapter 713, the Construction Lien Law, against the unit or condominium parcel of any unit owner not 1061 1062 expressly consenting to or requesting the labor or materials. 1063 Labor performed on or materials furnished for the installation 1064 of a natural gas fuel station or an electronic vehicle charging 1065 station under <del>pursuant to</del> s. 718.113(8) may not be the basis for 1066 filing a lien under part I of chapter 713 against the 1067 association, but such a lien may be filed against the unit 1068 owner. Labor performed on or materials furnished to the common 1069 elements are not the basis for a lien on the common elements, 1070 but if authorized by the association, the labor or materials are 1071 deemed to be performed or furnished with the express consent of 1072 each unit owner and may be the basis for the filing of a lien 1073 against all condominium parcels in the proportions for which the owners are liable for common expenses. 1074

1075

Section 10. Subsections (5) and (6) of section 718.1255,

### Page 43 of 92

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1076 Florida Statutes, are renumbered as subsections (6) and (7), 1077 respectively, subsection (2) and paragraph (a) of subsection (4) 1078 of that section are amended, and a new subsection (5) is added 1079 to that section, to read:

1080 718.1255 Alternative dispute resolution; voluntary
1081 mediation; mandatory nonbinding arbitration; legislative
1082 findings.-

1083 (2) VOLUNTARY MEDIATION. Voluntary Mediation through
1084 Citizen Dispute Settlement Centers as provided for in s. 44.201
1085 is encouraged.

MANDATORY NONBINDING ARBITRATION AND MEDIATION OF 1086 (4)1087 DISPUTES.-The Division of Florida Condominiums, Timeshares, and 1088 Mobile Homes of the Department of Business and Professional 1089 Regulation may employ full-time attorneys to act as arbitrators 1090 to conduct the arbitration hearings provided by this chapter. The division may also certify attorneys who are not employed by 1091 1092 the division to act as arbitrators to conduct the arbitration 1093 hearings provided by this chapter. A No person may not be 1094 employed by the department as a full-time arbitrator unless he 1095 or she is a member in good standing of The Florida Bar. A person 1096 may only be certified by the division to act as an arbitrator if 1097 he or she has been a member in good standing of The Florida Bar for at least 5 years and has mediated or arbitrated at least 10 1098 disputes involving condominiums in this state during the 3 years 1099 1100 immediately preceding the date of application, mediated or

## Page 44 of 92

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1101 arbitrated at least 30 disputes in any subject area in this state during the 3 years immediately preceding the date of 1102 1103 application, or attained board certification in real estate law 1104 or condominium and planned development law from The Florida Bar. 1105 Arbitrator certification is valid for 1 year. An arbitrator who 1106 does not maintain the minimum qualifications for initial 1107 certification may not have his or her certification renewed. The 1108 department may not enter into a legal services contract for an 1109 arbitration hearing under this chapter with an attorney who is not a certified arbitrator unless a certified arbitrator is not 1110 available within 50 miles of the dispute. The department shall 1111 1112 adopt rules of procedure to govern such arbitration hearings 1113 including mediation incident thereto. The decision of an 1114 arbitrator is shall be final; however, a decision is shall not be deemed final agency action. Nothing in this provision shall 1115 be construed to foreclose parties from proceeding in a trial de 1116 1117 novo unless the parties have agreed that the arbitration is 1118 binding. If judicial proceedings are initiated, the final 1119 decision of the arbitrator is shall be admissible in evidence in 1120 the trial de novo.

(a) <u>Before</u> Prior to the institution of court litigation, a
party to a dispute, other than an election or recall dispute,
shall <u>either</u> petition the division for nonbinding arbitration <u>or</u>
<u>initiate presuit mediation as provided in subsection (5).</u>
Arbitration is binding on the parties if all parties in

Page 45 of 92

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1126 <u>arbitration agree to be bound in a writing filed in arbitration</u>. 1127 The petition must be accompanied by a filing fee in the amount 1128 of \$50. Filing fees collected under this section must be used to 1129 defray the expenses of the alternative dispute resolution 1130 program.

(5) PRESUIT MEDIATION.-In lieu of the initiation of nonbinding arbitration as set forth in subsections (1)-(4), a party may submit a dispute to presuit mediation in accordance with s. 720.311. Election and recall disputes are not eligible for mediation and such disputes must be arbitrated by the division or filed in a court of competent jurisdiction.

Section 11. Subsection (3) of section 718.202, Florida Statutes, is amended to read:

1139 718.202 Sales or reservation deposits prior to closing.-1140 If the contract for sale of the condominium unit so (3) provides, the developer may withdraw escrow funds in excess of 1141 1142 10 percent of the purchase price from the special account 1143 required by subsection (2) when the construction of improvements 1144 has begun. He or she may use the funds for the actual costs 1145 incurred by the developer in the actual construction and 1146 development of the condominium property in which the unit to be 1147 sold is located. For purposes of this subsection, the term "actual costs" includes, but is not limited to, expenditures for 1148 demolition, site clearing, permit fees, impact fees, and utility 1149 1150 reservation fees, as well as architectural, engineering, and

Page 46 of 92

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1151 surveying fees that directly relate to construction and 1152 development of the condominium property. However, no part of 1153 these funds may be used for salaries, commissions, or expenses 1154 of salespersons; or for advertising, marketing, or promotional 1155 purposes; or for loan fees, costs or interest, attorney fees, 1156 accounting fees, or insurance. A contract which permits use of 1157 the advance payments for these purposes shall include the 1158 following legend conspicuously printed or stamped in boldfaced 1159 type on the first page of the contract and immediately above the 1160 place for the signature of the buyer: ANY PAYMENT IN EXCESS OF 10 PERCENT OF THE PURCHASE PRICE MADE TO DEVELOPER PRIOR TO 1161 1162 CLOSING PURSUANT TO THIS CONTRACT MAY BE USED FOR CONSTRUCTION 1163 PURPOSES BY THE DEVELOPER.

1164Section 12. Subsection (1) and paragraph (b) of subsection1165(3) of section 718.303, Florida Statutes, are amended to read:

718.303 Obligations of owners and occupants; remedies.-

1167 Each unit owner, each tenant and other invitee, and (1)1168 each association is governed by, and must comply with the 1169 provisions of, this chapter, the declaration, the documents 1170 creating the association, and the association bylaws which are 1171 shall be deemed expressly incorporated into any lease of a unit. 1172 Actions at law or in equity for damages or for injunctive relief, or both, for failure to comply with these provisions may 1173 1174 be brought by the association or by a unit owner against: 1175 The association. (a)

### Page 47 of 92

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1176 (b) A unit owner. 1177 Directors designated by the developer, for actions (C) 1178 taken by them before control of the association is assumed by 1179 unit owners other than the developer. 1180 Any director who willfully and knowingly fails to (d) 1181 comply with these provisions. 1182 (e) Any tenant leasing a unit, and any other invitee 1183 occupying a unit. 1184 1185 The prevailing party in any such action or in any action in 1186 which the purchaser claims a right of voidability based upon 1187 contractual provisions as required in s. 718.503(1)(a) is 1188 entitled to recover reasonable attorney attorney's fees. A unit 1189 owner prevailing in an action between the association and the 1190 unit owner under this subsection section, in addition to recovering his or her reasonable attorney attorney's fees, may 1191 1192 recover additional amounts as determined by the court to be 1193 necessary to reimburse the unit owner for his or her share of 1194 assessments levied by the association to fund its expenses of 1195 the litigation. This relief does not exclude other remedies 1196 provided by law. Actions arising under this subsection are not 1197 considered may not be deemed to be actions for specific performance. 1198 The association may levy reasonable fines for the 1199 (3)1200 failure of the owner of the unit or its occupant, licensee, or

# Page 48 of 92

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1201 invitee to comply with any provision of the declaration, the 1202 association bylaws, or reasonable rules of the association. A 1203 fine may not become a lien against a unit. A fine may be levied 1204 by the board on the basis of each day of a continuing violation, 1205 with a single notice and opportunity for hearing before a 1206 committee as provided in paragraph (b). However, the fine may 1207 not exceed \$100 per violation, or \$1,000 in the aggregate.

1208 A fine or suspension levied by the board of (b) 1209 administration may not be imposed unless the board first 1210 provides at least 14 days' written notice to the unit owner and, 1211 if applicable, any tenant occupant, licensee, or invitee of the 1212 unit owner sought to be fined or suspended, and an opportunity 1213 for a hearing before a committee of at least three members 1214 appointed by the board who are not officers, directors, or 1215 employees of the association, or the spouse, parent, child, brother, or sister of an officer, director, or employee. The 1216 1217 role of the committee is limited to determining whether to 1218 confirm or reject the fine or suspension levied by the board. If 1219 the committee does not approve the proposed fine or suspension 1220 by majority vote, the fine or suspension may not be imposed. If 1221 the proposed fine or suspension is approved by the committee, the fine payment is due 5 days after notice of the approved fine 1222 is provided to the unit owner and, if applicable, to any tenant, 1223 1224 licensee, or invitee of the unit owner the date of the committee 1225 meeting at which the fine is approved. The association must

## Page 49 of 92

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1226 provide written notice of such fine or suspension by mail or 1227 hand delivery to the unit owner and, if applicable, to any 1228 tenant, licensee, or invitee of the unit owner. 1229 Section 13. Section 718.501, Florida Statutes, is amended 1230 to read: 1231 Authority, responsibility, and duties of Division 718.501 1232 of Florida Condominiums, Timeshares, and Mobile Homes.-1233 (1) As used in this section, the term "financial issue" 1234 means an issue related to operating budgets; reserve schedules; accounting records under s. 718.111(12)(a)11.; notices of 1235 1236 meetings; minutes of meetings discussing budget or financial 1237 issues; assessments for common expenses, fees, or fines; the 1238 commingling of funds; and any other record necessary to 1239 determine the revenues and expenses of the association. The 1240 division may adopt rules to further define what a financial 1241 issue is under this section. 1242 (2) (1) The division may enforce and ensure compliance with 1243 the provisions of this chapter and rules relating to the 1244 development, construction, sale, lease, ownership, operation, 1245 and management of residential condominium units. In performing 1246 its duties, the division has complete jurisdiction to 1247 investigate complaints and enforce compliance with respect to associations that are still under developer control or the 1248 control of a bulk assignee or bulk buyer pursuant to part VII of 1249

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### Page 50 of 92

this chapter and complaints against developers, bulk assignees,

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1251 or bulk buyers involving improper turnover or failure to 1252 turnover, pursuant to s. 718.301. However, after turnover has 1253 occurred, the division has jurisdiction to investigate 1254 complaints related only to financial issues, elections, and <u>the</u> 1255 <u>maintenance of and</u> unit owner access to association records 1256 under <u>pursuant to</u> s. 718.111(12).

(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.

1262 2. The division may submit any official written report, 1263 worksheet, or other related paper, or a duly certified copy 1264 thereof, compiled, prepared, drafted, or otherwise made by and 1265 duly authenticated by a financial examiner or analyst to be 1266 admitted as competent evidence in any hearing in which the 1267 financial examiner or analyst is available for cross-examination 1268 and attests under oath that such documents were prepared as a 1269 result of an examination or inspection conducted pursuant to 1270 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.

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(c) For the purpose of any investigation under this

### Page 51 of 92

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1276 chapter, the division director or any officer or employee 1277 designated by the division director may administer oaths or 1278 affirmations, subpoena witnesses and compel their attendance, 1279 take evidence, and require the production of any matter which is 1280 relevant to the investigation, including the existence, description, nature, custody, condition, and location of any 1281 1282 books, documents, or other tangible things and the identity and 1283 location of persons having knowledge of relevant facts or any 1284 other matter reasonably calculated to lead to the discovery of 1285 material evidence. Upon the failure by a person to obey a subpoena or to answer questions propounded by the investigating 1286 1287 officer and upon reasonable notice to all affected persons, the 1288 division may apply to the circuit court for an order compelling 1289 compliance.

1290 Notwithstanding any remedies available to unit owners (d) and associations, if the division has reasonable cause to 1291 1292 believe that a violation of any provision of this chapter or 1293 related rule has occurred, the division may institute 1294 enforcement proceedings in its own name against any developer, 1295 bulk assignee, bulk buyer, association, officer, or member of the board of administration, or its assignees or agents, as 1296 1297 follows:

1298 1. The division may permit a person whose conduct or 1299 actions may be under investigation to waive formal proceedings 1300 and enter into a consent proceeding whereby orders, rules, or

## Page 52 of 92

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1301 letters of censure or warning, whether formal or informal, may 1302 be entered against the person.

1303 2. The division may issue an order requiring the 1304 developer, bulk assignee, bulk buyer, association, developer-1305 designated officer, or developer-designated member of the board 1306 of administration, developer-designated assignees or agents, 1307 bulk assignee-designated assignees or agents, bulk buyer-1308 designated assignees or agents, community association manager, 1309 or community association management firm to cease and desist 1310 from the unlawful practice and take such affirmative action as 1311 in the judgment of the division carry out the purposes of this 1312 chapter. If the division finds that a developer, bulk assignee, 1313 bulk buyer, association, officer, or member of the board of 1314 administration, or its assignees or agents, is violating or is about to violate any provision of this chapter, any rule adopted 1315 or order issued by the division, or any written agreement 1316 1317 entered into with the division, and presents an immediate danger 1318 to the public requiring an immediate final order, it may issue 1319 an emergency cease and desist order reciting with particularity 1320 the facts underlying such findings. The emergency cease and 1321 desist order is effective for 90 days. If the division begins nonemergency cease and desist proceedings, the emergency cease 1322 and desist order remains effective until the conclusion of the 1323 proceedings under ss. 120.569 and 120.57. 1324

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3. If a developer, bulk assignee, or bulk buyer, fails to

### Page 53 of 92

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1326 pay any restitution determined by the division to be owed, plus 1327 any accrued interest at the highest rate permitted by law, 1328 within 30 days after expiration of any appellate time period of 1329 a final order requiring payment of restitution or the conclusion 1330 of any appeal thereof, whichever is later, the division must 1331 bring an action in circuit or county court on behalf of any 1332 association, class of unit owners, lessees, or purchasers for 1333 restitution, declaratory relief, injunctive relief, or any other 1334 available remedy. The division may also temporarily revoke its 1335 acceptance of the filing for the developer to which the restitution relates until payment of restitution is made. 1336

1337 The division may petition the court for appointment of 1338 a receiver or conservator. If appointed, the receiver or 1339 conservator may take action to implement the court order to ensure the performance of the order and to remedy any breach 1340 thereof. In addition to all other means provided by law for the 1341 1342 enforcement of an injunction or temporary restraining order, the 1343 circuit court may impound or sequester the property of a party 1344 defendant, including books, papers, documents, and related 1345 records, and allow the examination and use of the property by 1346 the division and a court-appointed receiver or conservator.

1347 5. The division may apply to the circuit court for an 1348 order of restitution whereby the defendant in an action brought 1349 <u>under pursuant to subparagraph 4.</u> is ordered to make restitution 1350 of those sums shown by the division to have been obtained by the

## Page 54 of 92

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defendant in violation of this chapter. At the option of the court, such restitution is payable to the conservator or receiver appointed <u>under</u> <del>pursuant to</del> subparagraph 4. or directly to the persons whose funds or assets were obtained in violation of this chapter.

1356 6. The division may impose a civil penalty against a 1357 developer, bulk assignee, or bulk buyer, or association, or its 1358 assignee or agent, for any violation of this chapter or related 1359 rule. The division may impose a civil penalty individually 1360 against an officer or board member who willfully and knowingly violates a provision of this chapter, adopted rule, or a final 1361 1362 order of the division; may order the removal of such individual as an officer or from the board of administration or as an 1363 1364 officer of the association; and may prohibit such individual 1365 from serving as an officer or on the board of a community association for a period of time. The term "willfully and 1366 1367 knowingly" means that the division informed the officer or board 1368 member that his or her action or intended action violates this 1369 chapter, a rule adopted under this chapter, or a final order of 1370 the division and that the officer or board member refused to 1371 comply with the requirements of this chapter, a rule adopted 1372 under this chapter, or a final order of the division. The 1373 division, before initiating formal agency action under chapter 120, must afford the officer or board member an opportunity to 1374 voluntarily comply, and an officer or board member who complies 1375

### Page 55 of 92

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1376 within 10 days is not subject to a civil penalty. A penalty may be imposed on the basis of each day of continuing violation, but 1377 1378 the penalty for any offense may not exceed \$5,000. By January 1, 1379 1998, The division shall adopt, by rule, penalty guidelines 1380 applicable to possible violations or to categories of violations 1381 of this chapter or rules adopted by the division. The guidelines 1382 must specify a meaningful range of civil penalties for each such 1383 violation of the statute and rules and must be based upon the 1384 harm caused by the violation, the repetition of the violation, 1385 and upon such other factors deemed relevant by the division. For example, the division may consider whether the violations were 1386 1387 committed by a developer, bulk assignee, or bulk buyer, or owner-controlled association, the size of the association, and 1388 1389 other factors. The guidelines must designate the possible 1390 mitigating or aggravating circumstances that justify a departure from the range of penalties provided by the rules. It is the 1391 1392 legislative intent that minor violations be distinguished from 1393 those which endanger the health, safety, or welfare of the 1394 condominium residents or other persons and that such guidelines 1395 provide reasonable and meaningful notice to the public of likely 1396 penalties that may be imposed for proscribed conduct. This 1397 subsection does not limit the ability of the division to informally dispose of administrative actions or complaints by 1398 stipulation, agreed settlement, or consent order. All amounts 1399 1400 collected shall be deposited with the Chief Financial Officer to

### Page 56 of 92

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1401 the credit of the Division of Florida Condominiums, Timeshares, 1402 and Mobile Homes Trust Fund. If a developer, bulk assignee, or 1403 bulk buyer fails to pay the civil penalty and the amount deemed 1404 to be owed to the association, the division shall issue an order 1405 directing that such developer, bulk assignee, or bulk buyer 1406 cease and desist from further operation until such time as the 1407 civil penalty is paid or may pursue enforcement of the penalty 1408 in a court of competent jurisdiction. If an association fails to 1409 pay the civil penalty, the division shall pursue enforcement in 1410 a court of competent jurisdiction, and the order imposing the civil penalty or the cease and desist order is not effective 1411 1412 until 20 days after the date of such order. Any action commenced 1413 by the division shall be brought in the county in which the 1414 division has its executive offices or in the county where the 1415 violation occurred.

If a unit owner presents the division with proof that 1416 7. 1417 the unit owner has requested access to official records in 1418 writing by certified mail, and that after 10 days the unit owner 1419 again made the same request for access to official records in writing by certified mail, and that more than 10 days has 1420 1421 elapsed since the second request and the association has still failed or refused to provide access to official records as 1422 1423 required by this chapter, the division shall issue a subpoena requiring production of the requested records where the records 1424 1425 are kept pursuant to s. 718.112.

#### Page 57 of 92

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1426 In addition to subparagraph 6., the division may seek 8. 1427 the imposition of a civil penalty through the circuit court for 1428 any violation for which the division may issue a notice to show 1429 cause under paragraph (r). The civil penalty shall be at least 1430 \$500 but no more than \$5,000 for each violation. The court may also award to the prevailing party court costs and reasonable 1431 1432 attorney attorney's fees and, if the division prevails, may also 1433 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.

1438 (f) The division may adopt rules to administer and enforce
 1439 the provisions of this chapter.

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

1447 (h) The division shall furnish each association that pays 1448 the fees required by paragraph (3)(a) + (2)(a) a copy of this 1449 chapter, as amended, and the rules adopted thereto on an annual 1450 basis.

# Page 58 of 92

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(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.

1455 The division shall provide training and educational (j) 1456 programs for condominium association board members and unit 1457 owners. The training may, in the division's discretion, include 1458 web-based electronic media, and live training and seminars in 1459 various locations throughout the state. The division may review 1460 and approve education and training programs for board members and unit owners offered by providers and shall maintain a 1461 1462 current list of approved programs and providers and make such list available to board members and unit owners in a reasonable 1463 1464 and cost-effective manner. The division may adopt rules to establish requirements for the training and educational programs 1465 1466 required in this paragraph.

1467 (k) The division shall maintain a toll-free telephone1468 number accessible to condominium unit owners.

(1) The division shall develop a program to certify both volunteer and paid mediators to provide mediation of condominium disputes. The division shall provide, upon request, a list of such mediators to any association, unit owner, or other participant in <u>alternative dispute resolution</u> <del>arbitration</del> proceedings under s. 718.1255 requesting a copy of the list. The division shall include on the list of volunteer mediators only

### Page 59 of 92

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1476 the names of persons who have received at least 20 hours of 1477 training in mediation techniques or who have mediated at least 1478 20 disputes. In order to become initially certified by the 1479 division, paid mediators must be certified by the Supreme Court 1480 to mediate court cases in county or circuit courts. However, the 1481 division may adopt, by rule, additional factors for the 1482 certification of paid mediators, which must be related to 1483 experience, education, or background. Any person initially 1484 certified as a paid mediator by the division must, in order to 1485 continue to be certified, comply with the factors or 1486 requirements adopted by rule.

1487 If a complaint is made, the division must conduct its (m) 1488 inquiry with due regard for the interests of the affected 1489 parties. Within 30 days after receipt of a complaint, the 1490 division shall acknowledge the complaint in writing and notify the complainant whether the complaint is within the jurisdiction 1491 1492 of the division and whether additional information is needed by 1493 the division from the complainant. The division shall conduct 1494 its investigation and, within 90 days after receipt of the 1495 original complaint or of timely requested additional 1496 information, take action upon the complaint. However, the failure to complete the investigation within 90 days does not 1497 prevent the division from continuing the investigation, 1498 accepting or considering evidence obtained or received after 90 1499 1500 days, or taking administrative action if reasonable cause exists

## Page 60 of 92

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to believe that a violation of this chapter or a rule has occurred. If an investigation is not completed within the time limits established in this paragraph, the division shall, on a monthly basis, notify the complainant in writing of the status of the investigation. When reporting its action to the complainant, the division shall inform the complainant of any right to a hearing under <del>pursuant to</del> ss. 120.569 and 120.57.

1508 Condominium association directors, officers, and (n) 1509 employees; condominium developers; bulk assignees, bulk buyers, 1510 and community association managers; and community association 1511 management firms have an ongoing duty to reasonably cooperate 1512 with the division in any investigation under <del>pursuant to</del> this section. The division shall refer to local law enforcement 1513 1514 authorities any person whom the division believes has altered, 1515 destroyed, concealed, or removed any record, document, or thing required to be kept or maintained by this chapter with the 1516 1517 purpose to impair its verity or availability in the department's 1518 investigation.

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(o) The division may:

1520 1. Contract with agencies in this state or other 1521 jurisdictions to perform investigative functions; or

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

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

## Page 61 of 92

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1526 rules and common administrative practices.

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

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

1534 The division shall submit to the Governor, the (s) 1535 President of the Senate, the Speaker of the House of 1536 Representatives, and the chairs of the legislative 1537 appropriations committees an annual report that includes, but 1538 need not be limited to, the number of training programs provided 1539 for condominium association board members and unit owners, the number of complaints received by type, the number and percent of 1540 complaints acknowledged in writing within 30 days and the number 1541 1542 and percent of investigations acted upon within 90 days in 1543 accordance with paragraph (m), and the number of investigations 1544 exceeding the 90-day requirement. The annual report must also 1545 include an evaluation of the division's core business processes 1546 and make recommendations for improvements, including statutory 1547 changes. The report shall be submitted by September 30 following 1548 the end of the fiscal year.

1549(3) (a) (2) (a)Each condominium association which operates1550more than two units shall pay to the division an annual fee in

## Page 62 of 92

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1551 the amount of \$4 for each residential unit in condominiums 1552 operated by the association. If the fee is not paid by March 1, 1553 the association shall be assessed a penalty of 10 percent of the 1554 amount due, and the association will not have standing to 1555 maintain or defend any action in the courts of this state until 1556 the amount due, plus any penalty, is paid.

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

1560 Section 14. Section 718.5014, Florida Statutes, is amended 1561 to read:

1562 718.5014 Ombudsman location.-The ombudsman shall maintain 1563 his or her principal office in a Leon County on the premises of 1564 the division or, if suitable space cannot be provided there, at another place convenient to the offices of the division which 1565 1566 will enable the ombudsman to expeditiously carry out the duties 1567 and functions of his or her office. The ombudsman may establish 1568 branch offices elsewhere in the state upon the concurrence of 1569 the Governor.

1570 Section 15. Subsection (25) of section 719.103, Florida 1571 Statutes, is amended to read:

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719.103 Definitions.-As used in this chapter:

(25) "Unit" means a part of the cooperative property which is subject to exclusive use and possession. A unit may be improvements, land, or land and improvements together, as

## Page 63 of 92

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1576 specified in the cooperative documents. An interest in a unit is 1577 an interest in real property. 1578 Section 16. Paragraph (c) of subsection (2) of section 1579 719.104, Florida Statutes, is amended to read: 1580 719.104 Cooperatives; access to units; records; financial 1581 reports; assessments; purchase of leases.-1582 (2)OFFICIAL RECORDS.-1583 The official records of the association are open to (C) 1584 inspection by any association member or the authorized 1585 representative of such member at all reasonable times. The right 1586 to inspect the records includes the right to make or obtain 1587 copies, at the reasonable expense, if any, of the association 1588 member. The association may adopt reasonable rules regarding the 1589 frequency, time, location, notice, and manner of record 1590 inspections and copying, but may not require a member to 1591 demonstrate any purpose or state any reason for the inspection. 1592 The failure of an association to provide the records within 10 1593 working days after receipt of a written request creates a 1594 rebuttable presumption that the association willfully failed to 1595 comply with this paragraph. A member unit owner who is denied 1596 access to official records is entitled to the actual damages or 1597 minimum damages for the association's willful failure to comply. The minimum damages are \$50 per calendar day for up to 10 days, 1598 1599 beginning on the 11th working day after receipt of the written 1600 request. The failure to permit inspection entitles any person

## Page 64 of 92

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1601 prevailing in an enforcement action to recover reasonable 1602 attorney fees from the person in control of the records who, 1603 directly or indirectly, knowingly denied access to the records. 1604 Any person who knowingly or intentionally defaces or destroys 1605 accounting records that are required by this chapter to be 1606 maintained during the period for which such records are required 1607 to be maintained, or who knowingly or intentionally fails to 1608 create or maintain accounting records that are required to be 1609 created or maintained, with the intent of causing harm to the 1610 association or one or more of its members, is personally subject 1611 to a civil penalty under <del>pursuant to</del> s. 719.501(1)(d). The 1612 association shall maintain an adequate number of copies of the 1613 declaration, articles of incorporation, bylaws, and rules, and 1614 all amendments to each of the foregoing, as well as the question and answer sheet as described in s. 719.504 and year-end 1615 financial information required by the department, on the 1616 1617 cooperative property to ensure their availability to members 1618 unit owners and prospective purchasers, and may charge its 1619 actual costs for preparing and furnishing these documents to 1620 those requesting the same. An association shall allow a member 1621 or his or her authorized representative to use a portable 1622 device, including a smartphone, tablet, portable scanner, or any other technology capable of scanning or taking photographs, to 1623 make an electronic copy of the official records in lieu of the 1624 1625 association providing the member or his or her authorized

## Page 65 of 92

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1626 representative with a copy of such records. The association may 1627 not charge a member or his or her authorized representative for 1628 the use of a portable device. Notwithstanding this paragraph, 1629 the following records shall not be accessible to members unit 1630 owners:

1631 Any record protected by the lawyer-client privilege as 1. 1632 described in s. 90.502 and any record protected by the work-1633 product privilege, including any record prepared by an 1634 association attorney or prepared at the attorney's express direction which reflects a mental impression, conclusion, 1635 litigation strategy, or legal theory of the attorney or the 1636 1637 association, and which was prepared exclusively for civil or 1638 criminal litigation or for adversarial administrative 1639 proceedings, or which was prepared in anticipation of such 1640 litigation or proceedings until the conclusion of the litigation or proceedings. 1641

1642 2. Information obtained by an association in connection 1643 with the approval of the lease, sale, or other transfer of a 1644 unit.

1645 3. Personnel records of association or management company 1646 employees, including, but not limited to, disciplinary, payroll, 1647 health, and insurance records. For purposes of this 1648 subparagraph, the term "personnel records" does not include 1649 written employment agreements with an association employee or 1650 management company, or budgetary or financial records that

### Page 66 of 92

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1651

indicate the compensation paid to an association employee. Medical records of unit owners. 1652 4. 1653 5. Social security numbers, driver license numbers, credit 1654 card numbers, e-mail addresses, telephone numbers, facsimile 1655 numbers, emergency contact information, addresses of a unit 1656 owner other than as provided to fulfill the association's notice 1657 requirements, and other personal identifying information of any 1658 person, excluding the person's name, unit designation, mailing 1659 address, property address, and any address, e-mail address, or 1660 facsimile number provided to the association to fulfill the 1661 association's notice requirements. Notwithstanding the 1662 restrictions in this subparagraph, an association may print and 1663 distribute to unit parcel owners a directory containing the 1664 name, unit parcel address, and all telephone numbers of each 1665 unit parcel owner. However, an owner may exclude his or her telephone numbers from the directory by so requesting in writing 1666 1667 to the association. An owner may consent in writing to the 1668 disclosure of other contact information described in this 1669 subparagraph. The association is not liable for the inadvertent 1670 disclosure of information that is protected under this 1671 subparagraph if the information is included in an official 1672 record of the association and is voluntarily provided by an owner and not requested by the association. 1673

Electronic security measures that are used by the 1674 6. 1675 association to safeguard data, including passwords.

# Page 67 of 92

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1676 7. The software and operating system used by the association which allow the manipulation of data, even if the 1677 1678 owner owns a copy of the same software used by the association. 1679 The data is part of the official records of the association. 1680 Section 17. Paragraphs (b), (f), and (l) of subsection (1) 1681 of section 719.106, Florida Statutes, are amended, and 1682 subsection (3) is added to that section, to read: 1683 719.106 Bylaws; cooperative ownership.-1684 MANDATORY PROVISIONS. - The bylaws or other cooperative (1)1685 documents shall provide for the following, and if they do not, 1686 they shall be deemed to include the following: 1687 (b) Quorum; voting requirements; proxies.-1688 1. Unless otherwise provided in the bylaws, the percentage 1689 of voting interests required to constitute a quorum at a meeting 1690 of the members shall be a majority of voting interests, and decisions shall be made by owners of a majority of the voting 1691 1692 interests. Unless otherwise provided in this chapter, or in the 1693 articles of incorporation, bylaws, or other cooperative 1694 documents, and except as provided in subparagraph (d)1., 1695 decisions shall be made by owners of a majority of the voting 1696 interests represented at a meeting at which a quorum is present. 1697 2. Except as specifically otherwise provided herein, after January 1, 1992, unit owners may not vote by general proxy, but 1698 may vote by limited proxies substantially conforming to a 1699 1700 limited proxy form adopted by the division. Limited proxies and

## Page 68 of 92

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1701 general proxies may be used to establish a quorum. Limited 1702 proxies shall be used for votes taken to waive or reduce 1703 reserves in accordance with subparagraph (j)2., for votes taken 1704 to waive the financial reporting requirements of s. 1705 719.104(4)(b), for votes taken to amend the articles of 1706 incorporation or bylaws pursuant to this section, and for any 1707 other matter for which this chapter requires or permits a vote 1708 of the unit owners. Except as provided in paragraph (d), after 1709 January 1, 1992, no proxy, limited or general, shall be used in 1710 the election of board members. General proxies may be used for other matters for which limited proxies are not required, and 1711 1712 may also be used in voting for nonsubstantive changes to items 1713 for which a limited proxy is required and given. Notwithstanding 1714 the provisions of this section, unit owners may vote in person at unit owner meetings. Nothing contained herein shall limit the 1715 use of general proxies or require the use of limited proxies or 1716 1717 require the use of limited proxies for any agenda item or 1718 election at any meeting of a timeshare cooperative.

1719 3. Any proxy given shall be effective only for the 1720 specific meeting for which originally given and any lawfully 1721 adjourned meetings thereof. In no event shall any proxy be valid 1722 for a period longer than 90 days after the date of the first 1723 meeting for which it was given. Every proxy shall be revocable 1724 at any time at the pleasure of the unit owner executing it. 1725 4. A member of the board of administration or a committee

## Page 69 of 92

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1726 may submit in writing his or her agreement or disagreement with 1727 any action taken at a meeting that the member did not attend. 1728 This agreement or disagreement may not be used as a vote for or 1729 against the action taken and may not be used for the purposes of 1730 creating a quorum.

1731 A board or committee member participating in a meeting 5. 1732 via telephone, real-time video conferencing, or similar real-1733 time electronic or video communication counts toward a quorum, 1734 and such member may vote as if physically present When some or 1735 all of the board or committee members meet by telephone 1736 conference, those board or committee members attending by 1737 telephone conference may be counted toward obtaining a quorum 1738 and may vote by telephone. A telephone speaker must shall be 1739 used utilized so that the conversation of such those board or 1740 committee members attending by telephone may be heard by the board or committee members attending in person, as well as by 1741 1742 any unit owners present at a meeting.

1743 Recall of board members.-Subject to s. 719.301, any (f) 1744 member of the board of administration may be recalled and 1745 removed from office with or without cause by the vote or 1746 agreement in writing by a majority of all the voting interests. 1747 A special meeting of the voting interests to recall any member of the board of administration may be called by 10 percent of 1748 the unit owners giving notice of the meeting as required for a 1749 1750 meeting of unit owners, and the notice shall state the purpose

### Page 70 of 92

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1751 of the meeting. Electronic transmission may not be used as a 1752 method of giving notice of a meeting called in whole or in part 1753 for this purpose.

1754 If the recall is approved by a majority of all voting 1. 1755 interests by a vote at a meeting, the recall shall be effective 1756 as provided in this paragraph. The board shall duly notice and 1757 hold a board meeting within 5 full business days after the 1758 adjournment of the unit owner meeting to recall one or more 1759 board members. At the meeting, the board shall either certify 1760 the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the board 1761 1762 within 5 full business days any and all records and property of 1763 the association in their possession, or shall proceed as set 1764 forth in subparagraph 3.

2. If the proposed recall is by an agreement in writing by 1765 1766 a majority of all voting interests, the agreement in writing or 1767 a copy thereof shall be served on the association by certified 1768 mail or by personal service in the manner authorized by chapter 1769 48 and the Florida Rules of Civil Procedure. The board of 1770 administration shall duly notice and hold a meeting of the board 1771 within 5 full business days after receipt of the agreement in 1772 writing. At the meeting, the board shall either certify the 1773 written agreement to recall members of the board, in which case such members shall be recalled effective immediately and shall 1774 1775 turn over to the board, within 5 full business days, any and all

### Page 71 of 92

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1776 records and property of the association in their possession, or 1777 proceed as described in subparagraph 3.

1778 3. If the board determines not to certify the written 1779 agreement to recall members of the board, or does not certify 1780 the recall by a vote at a meeting, the board shall, within 5 1781 full business days after the board meeting, file with the 1782 division a petition for binding arbitration under pursuant to 1783 the procedures of s. 719.1255 or file an action with a court of 1784 competent jurisdiction. For purposes of this paragraph, the unit 1785 owners who voted at the meeting or who executed the agreement in 1786 writing shall constitute one party under the petition for 1787 arbitration or in a court action. If the arbitrator or court 1788 certifies the recall as to any member of the board, the recall 1789 is shall be effective upon the mailing of the final order of 1790 arbitration to the association or the final order of the court. If the association fails to comply with the order of the court 1791 1792 or the arbitrator, the division may take action under pursuant 1793 to s. 719.501. Any member so recalled shall deliver to the board 1794 any and all records and property of the association in the 1795 member's possession within 5 full business days after the 1796 effective date of the recall.

1797 4. If the board fails to duly notice and hold a board 1798 meeting within 5 full business days after service of an 1799 agreement in writing or within 5 full business days after the 1800 adjournment of the unit owner recall meeting, the recall is

### Page 72 of 92

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1801 shall be deemed effective and the board members so recalled 1802 shall immediately turn over to the board any and all records and 1803 property of the association.

1804 5. If the board fails to duly notice and hold the required 1805 meeting or fails to file the required petition or action, the 1806 unit owner representative may file a petition under pursuant to 1807 s. 719.1255 or file an action in a court of competent 1808 jurisdiction challenging the board's failure to act. The 1809 petition or action must be filed within 60 days after the expiration of the applicable 5-full-business-day period. The 1810 review of a petition or action under this subparagraph is 1811 1812 limited to the sufficiency of service on the board and the 1813 facial validity of the written agreement or ballots filed.

1814 6. If a vacancy occurs on the board as a result of a 1815 recall and less than a majority of the board members are removed, the vacancy may be filled by the affirmative vote of a 1816 1817 majority of the remaining directors, notwithstanding any 1818 provision to the contrary contained in this chapter. If 1819 vacancies occur on the board as a result of a recall and a 1820 majority or more of the board members are removed, the vacancies 1821 shall be filled in accordance with procedural rules to be 1822 adopted by the division, which rules need not be consistent with this chapter. The rules must provide procedures governing the 1823 conduct of the recall election as well as the operation of the 1824 1825 association during the period after a recall but before the

#### Page 73 of 92

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recall election.

1826

1827 7. A board member who has been recalled may file a 1828 petition <u>under pursuant to</u> s. 719.1255 <u>or file an action in a</u> 1829 <u>court of competent jurisdiction</u> challenging the validity of the 1830 recall. The petition <u>or action</u> must be filed within 60 days 1831 after the recall is deemed certified. The association and the 1832 unit owner representative shall be named as the respondents.

1833 The division or court may not accept for filing a 8. 1834 recall petition or action, whether filed under pursuant to subparagraph 1., subparagraph 2., subparagraph 5., or 1835 subparagraph 7. and regardless of whether the recall was 1836 1837 certified, when there are 60 or fewer days until the scheduled 1838 reelection of the board member sought to be recalled or when 60 1839 or fewer days have not elapsed since the election of the board 1840 member sought to be recalled.

1841 (1) <u>Alternative dispute resolution</u> Arbitration.—There
1842 shall be a provision for mandatory nonbinding <u>alternative</u>
1843 <u>dispute resolution</u> <del>arbitration</del> of internal disputes arising from
1844 the operation of the cooperative in accordance with s. 719.1255.

1845(3)GENERALLY.—The association may extinguish a1846discriminatory restriction as provided under s. 712.065.

Section 18. Paragraph (1) of subsection (4) of section 1848 720.303, Florida Statutes, is redesignated as paragraph (m), 1849 paragraph (c) of subsection (2), present paragraph (1) of 1850 subsection (4), paragraphs (c) and (d) of subsection (6), and

Page 74 of 92

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1851 paragraphs (b), (d), (g), (k), and (l) of subsection (10) are 1852 amended, and a new paragraph (l) is added to subsection (4) of 1853 that section, to read:

1854 720.303 Association powers and duties; meetings of board; 1855 official records; budgets; financial reporting; association 1856 funds; recalls.-

1857

(2) BOARD MEETINGS.-

1858 (c) The bylaws shall provide the following for giving 1859 notice to parcel owners and members of all board meetings and, 1860 if they do not do so, shall be deemed to include the following:

1861 1. Notices of all board meetings must be posted in a 1862 conspicuous place in the community at least 48 hours in advance 1863 of a meeting, except in an emergency. In the alternative, if 1864 notice is not posted in a conspicuous place in the community, 1865 notice of each board meeting must be mailed or delivered to each 1866 member at least 7 days before the meeting, except in an 1867 emergency. Notwithstanding this general notice requirement, for 1868 communities with more than 100 members, the association bylaws 1869 may provide for a reasonable alternative to posting or mailing 1870 of notice for each board meeting, including publication of 1871 notice, provision of a schedule of board meetings, or the 1872 conspicuous posting and repeated broadcasting of the notice on a closed-circuit cable television system serving the homeowners' 1873 association. However, if broadcast notice is used in lieu of a 1874 1875 notice posted physically in the community, the notice must be

#### Page 75 of 92

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1876 broadcast at least four times every broadcast hour of each day that a posted notice is otherwise required. When broadcast 1877 1878 notice is provided, the notice and agenda must be broadcast in a 1879 manner and for a sufficient continuous length of time so as to 1880 allow an average reader to observe the notice and read and 1881 comprehend the entire content of the notice and the agenda. In 1882 addition to any of the authorized means of providing notice of a 1883 meeting of the board, the association may, by rule, adopt a 1884 procedure for conspicuously posting the meeting notice and the 1885 agenda on the association's website or an application that can 1886 be downloaded on a mobile device for at least the minimum period 1887 of time for which a notice of a meeting is also required to be 1888 physically posted on the association property. Any rule adopted 1889 shall, in addition to other matters, include a requirement that 1890 the association send an electronic notice in the same manner as 1891 is required for a notice of a meeting of the members, which must 1892 include a hyperlink to the website or such mobile application at 1893 which the notice is posted, to members whose e-mail addresses 1894 are included in the association's official records. The 1895 association may provide notice by electronic transmission in a 1896 manner authorized by law for meetings of the board of directors, 1897 committee meetings requiring notice under this section, and 1898 annual and special meetings of the members to any member who has provided a facsimile number or e-mail address to the association 1899 1900 to be used for such purposes; however, a member must consent in

#### Page 76 of 92

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1901 writing to receiving notice by electronic transmission.

2. 1902 An assessment may not be levied at a board meeting 1903 unless the notice of the meeting includes a statement that 1904 assessments will be considered and the nature of the 1905 assessments. Written notice of any meeting at which special 1906 assessments will be considered or at which amendments to rules 1907 regarding parcel use will be considered must be mailed, 1908 delivered, or electronically transmitted to the members and 1909 parcel owners and posted conspicuously on the property or broadcast on closed-circuit cable television not less than 14 1910 1911 days before the meeting.

1912 3. Directors may not vote by proxy or by secret ballot at 1913 board meetings, except that secret ballots may be used in the 1914 election of officers. This subsection also applies to the 1915 meetings of any committee or other similar body, when a final decision will be made regarding the expenditure of association 1916 1917 funds, and to any body vested with the power to approve or 1918 disapprove architectural decisions with respect to a specific 1919 parcel of residential property owned by a member of the 1920 community.

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

1924(1) Ballots, sign-in sheets, voting proxies, and all other1925papers and electronic records relating to voting by parcel

Page 77 of 92

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1926 owners, which must be maintained for at least 1 year after the 1927 date of the election, vote, or meeting. 1928 (m) (1) All other written records of the association not 1929 specifically included in this subsection the foregoing which are 1930 related to the operation of the association. 1931 (6) BUDGETS.-1932 (c)1. If the budget of the association does not provide 1933 for reserve accounts under <del>pursuant to</del> paragraph (d), or the declaration of covenants, articles, or bylaws do not obligate 1934 1935 the developer to create reserves, and the association is 1936 responsible for the repair and maintenance of capital 1937 improvements that may result in a special assessment if reserves are not provided or not fully funded, then each financial report 1938 1939 for the preceding fiscal year required by subsection (7) must 1940 contain the following statement in conspicuous type: 1941 1942 THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR FULLY FUNDED 1943 RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED 1944 MAINTENANCE THAT MAY RESULT IN SPECIAL ASSESSMENTS REGARDING 1945 THOSE ITEMS. OWNERS MAY ELECT TO PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS UNDER PURSUANT TO SECTION 720.303(6), FLORIDA 1946 1947 STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF THE TOTAL 1948 VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE MEMBERS AT A MEETING OR BY WRITTEN CONSENT. 1949 1950 If the budget of the association does provide for 2.

Page 78 of 92

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1951 funding accounts for deferred expenditures, including, but not 1952 limited to, funds for capital expenditures and deferred 1953 maintenance, but such accounts are not created or established 1954 under pursuant to paragraph (d), each financial report for the 1955 preceding fiscal year required under subsection (7) must also 1956 contain the following statement in conspicuous type: 1957 THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY 1958 DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES 1959 AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED 1960 IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED 1961 TO PROVIDE FOR RESERVE ACCOUNTS UNDER PURSUANT TO SECTION 1962 720.303(6), FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR 1963 1964 ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.

1965 An association is deemed to have provided for reserve (d) 1966 accounts if reserve accounts have been initially established by the developer or if the membership of the association 1967 1968 affirmatively elects to provide for reserves. If reserve 1969 accounts are established by the developer, the budget must 1970 designate the components for which the reserve accounts may be 1971 used. If reserve accounts are not initially provided by the 1972 developer, the membership of the association may elect to do so 1973 upon the affirmative approval of a majority of the total voting 1974 interests of the association. Such approval may be obtained by 1975 vote of the members at a duly called meeting of the membership

Page 79 of 92

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1976 or by the written consent of a majority of the total voting 1977 interests of the association. The approval action of the 1978 membership must state that reserve accounts shall be provided 1979 for in the budget and must designate the components for which 1980 the reserve accounts are to be established. Upon approval by the 1981 membership, the board of directors shall include the required 1982 reserve accounts in the budget in the next fiscal year following 1983 the approval and each year thereafter. Once established as 1984 provided in this subsection, the reserve accounts must be funded 1985 or maintained or have their funding waived in the manner 1986 provided in paragraph (f).

1987

(10) RECALL OF DIRECTORS.-

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

2. The board shall duly notice and hold a meeting of the board within 5 full business days after receipt of the agreement in writing or written ballots. At the meeting, the board shall either certify the written ballots or written agreement to recall a director or directors of the board, in which case such director or directors shall be recalled effective immediately and shall turn over to the board within 5 full business days any

# Page 80 of 92

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2001 and all records and property of the association in their 2002 possession, or proceed as described in paragraph (d).

2003 3. When it is determined by the department pursuant to 2004 binding arbitration proceedings or the court in an action filed 2005 in a court of competent jurisdiction that an initial recall effort was defective, written recall agreements or written 2006 2007 ballots used in the first recall effort and not found to be 2008 defective may be reused in one subsequent recall effort. 2009 However, in no event is a written agreement or written ballot 2010 valid for more than 120 days after it has been signed by the 2011 member.

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

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

(d) If the board determines not to certify the written agreement or written ballots to recall a director or directors of the board or does not certify the recall by a vote at a

#### Page 81 of 92

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2026 meeting, the board shall, within 5 full business days after the 2027 meeting, file an action with a court of competent jurisdiction 2028 or file with the department a petition for binding arbitration 2029 under <del>pursuant to</del> the applicable procedures in ss. 718.112(2)(j) 2030 and 718.1255 and the rules adopted thereunder. For the purposes 2031 of this section, the members who voted at the meeting or who 2032 executed the agreement in writing shall constitute one party 2033 under the petition for arbitration or in a court action. If the 2034 arbitrator or court certifies the recall as to any director or 2035 directors of the board, the recall will be effective upon the 2036 final order of the court or the mailing of the final order of arbitration to the association. The director or directors so 2037 2038 recalled shall deliver to the board any and all records of the 2039 association in their possession within 5 full business days 2040 after the effective date of the recall.

2041 If the board fails to duly notice and hold the (a) 2042 required meeting or fails to file the required petition or 2043 action, the parcel unit owner representative may file a petition 2044 or a court action under <del>pursuant to</del> s. 718.1255 challenging the 2045 board's failure to act. The petition or action must be filed 2046 within 60 days after the expiration of the applicable 5-full-2047 business-day period. The review of a petition or action under this paragraph is limited to the sufficiency of service on the 2048 2049 board and the facial validity of the written agreement or ballots filed. 2050

# Page 82 of 92

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2051 A board member who has been recalled may file an (k) 2052 action with a court of competent jurisdiction or a petition 2053 under <del>pursuant to</del> ss. 718.112(2)(j) and 718.1255 and the rules 2054 adopted challenging the validity of the recall. The petition or 2055 action must be filed within 60 days after the recall is deemed 2056 certified. The association and the parcel unit owner 2057 representative shall be named as respondents. 2058 The division or a court of competent jurisdiction may (1)2059 not accept for filing a recall petition or action, whether filed 2060 under pursuant to paragraph (b), paragraph (c), paragraph (g), 2061 or paragraph (k) and regardless of whether the recall was 2062 certified, when there are 60 or fewer days until the scheduled 2063 reelection of the board member sought to be recalled or when 60 2064 or fewer days have not elapsed since the election of the board 2065 member sought to be recalled. 2066 Section 19. Paragraphs (a) and (b) of subsection (2) of section 720.304, Florida Statutes, are amended to read: 2067 2068

2068 720.304 Right of owners to peaceably assemble; display of 2069 flag; SLAPP suits prohibited.-

(2) (a) Any homeowner may display one portable, removable United States flag or official flag of the State of Florida in a respectful manner, and one portable, removable official flag, in a respectful manner, not larger than 4 1/2 feet by 6 feet, which represents <u>any state</u>, as defined in s. 624.08, or the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, or a

#### Page 83 of 92

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2076 POW-MIA flag, regardless of any covenants, restrictions, bylaws, 2077 rules, or requirements of the association.

2078 Any homeowner may erect a freestanding flagpole no (b) 2079 more than 20 feet high on any portion of the homeowner's real 2080 property, regardless of any covenants, restrictions, bylaws, 2081 rules, or requirements of the association, if the flagpole does 2082 not obstruct sightlines at intersections and is not erected 2083 within or upon an easement. The homeowner may further display in 2084 a respectful manner from that flagpole, regardless of any 2085 covenants, restrictions, bylaws, rules, or requirements of the 2086 association, one official United States flag, not larger than 4 2087 1/2 feet by 6 feet, and may additionally display one official flag of the State of Florida, any other state, as defined in s. 2088 2089 624.08, or the United States Army, Navy, Air Force, Marines, or 2090 Coast Guard, or a POW-MIA flag. Such additional flag must be 2091 equal in size to or smaller than the United States flag. The 2092 flagpole and display are subject to all building codes, zoning 2093 setbacks, and other applicable governmental regulations, 2094 including, but not limited to, noise and lighting ordinances in 2095 the county or municipality in which the flagpole is erected and 2096 all setback and locational criteria contained in the governing 2097 documents.

2098 Section 20. Subsections (1) and (2) of section 720.305, 2099 Florida Statutes, are amended to read:

2100

720.305 Obligations of members; remedies at law or in

#### Page 84 of 92

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2101 equity; levy of fines and suspension of use rights.-2102 (1)Each member and the member's tenants, quests, and 2103 invitees, and each association, are governed by, and must comply 2104 with, this chapter and  $\tau$  the governing documents of the 2105 community, and the rules of the association. Actions at law or 2106 in equity, or both, to redress alleged failure or refusal to 2107 comply with these provisions may be brought by the association 2108 or by any member against: 2109 (a) The association; 2110 (b) A member; Any director or officer of an association who 2111 (C) 2112 willfully and knowingly fails to comply with these provisions; 2113 and 2114 (d) Any tenants, guests, or invitees occupying a parcel or 2115 using the common areas. 2116 2117 The prevailing party in any such litigation is entitled to 2118 recover reasonable attorney fees and costs. A member prevailing 2119 in an action between the association and the member under this 2120 section, in addition to recovering his or her reasonable 2121 attorney fees, may recover additional amounts as determined by the court to be necessary to reimburse the member for his or her 2122 2123 share of assessments levied by the association to fund its expenses of the litigation. This relief does not exclude other 2124 2125 remedies provided by law. This section does not deprive any

# Page 85 of 92

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2126 person of any other available right or remedy.

2127 An The association may levy reasonable fines. A fine (2)2128 may not exceed \$100 per violation against any member or any 2129 member's tenant, guest, or invitee for the failure of the owner 2130 of the parcel or its occupant, licensee, or invitee to comply 2131 with any provision of the declaration, the association bylaws, 2132 or reasonable rules of the association unless otherwise provided 2133 in the governing documents. A fine may be levied by the board 2134 for each day of a continuing violation, with a single notice and 2135 opportunity for hearing, except that the fine may not exceed \$1,000 in the aggregate unless otherwise provided in the 2136 2137 governing documents. A fine of less than \$1,000 may not become a lien against a parcel. In any action to recover a fine, the 2138 2139 prevailing party is entitled to reasonable attorney fees and 2140 costs from the nonprevailing party as determined by the court.

2141 (a) An association may suspend, for a reasonable period of 2142 time, the right of a member, or a member's tenant, guest, or 2143 invitee, to use common areas and facilities for the failure of 2144 the owner of the parcel or its occupant, licensee, or invitee to 2145 comply with any provision of the declaration, the association 2146 bylaws, or reasonable rules of the association. This paragraph does not apply to that portion of common areas used to provide 2147 2148 access or utility services to the parcel. A suspension may not prohibit an owner or tenant of a parcel from having vehicular 2149 2150 and pedestrian ingress to and egress from the parcel, including,

#### Page 86 of 92

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2151 but not limited to, the right to park.

2152 A fine or suspension levied by the board of (b) 2153 administration may not be imposed unless the board first 2154 provides at least 14 days' notice to the parcel owner and, if 2155 applicable, any occupant, licensee, or invitee of the parcel 2156 owner, sought to be fined or suspended and an opportunity for a 2157 hearing before a committee of at least three members appointed 2158 by the board who are not officers, directors, or employees of 2159 the association, or the spouse, parent, child, brother, or 2160 sister of an officer, director, or employee. If the committee, 2161 by majority vote, does not approve a proposed fine or 2162 suspension, the proposed fine or suspension may not be imposed. 2163 The role of the committee is limited to determining whether to 2164 confirm or reject the fine or suspension levied by the board. If 2165 the proposed fine or suspension levied by the board is approved 2166 by the committee, the fine payment is due 5 days after notice of 2167 the approved fine is provided to the parcel owner and, if applicable, to any occupant, licensee, or invitee of the parcel 2168 2169 owner the date of the committee meeting at which the fine is 2170 approved. The association must provide written notice of such 2171 fine or suspension by mail or hand delivery to the parcel owner 2172 and, if applicable, to any occupant tenant, licensee, or invitee 2173 of the parcel owner. Paragraph (g) of subsection (1) and paragraph 2174 Section 21.

# Page 87 of 92

(c) of subsection (9) of section 720.306, Florida Statutes, are

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2175

2176 amended, and paragraph (h) is added to subsection (1) of that 2177 section, to read:

2178 720.306 Meetings of members; voting and election 2179 procedures; amendments.-

2180

(1) QUORUM; AMENDMENTS.-

2181 A notice required under this section must be mailed or (q) 2182 delivered to the address identified as the parcel owner's 2183 mailing address in the official records of the association as 2184 required under s. 720.303(4) on the property appraiser's website 2185 for the county in which the parcel is located, or electronically 2186 transmitted in a manner authorized by the association if the 2187 parcel owner has consented, in writing, to receive notice by electronic transmission. 2188

2189 (h)1. Except as provided herein, an amendment to a 2190 governing document enacted after July 1, 2020, which prohibits a 2191 parcel owner from renting his or her parcel, alters the 2192 authorized duration of a rental term, or specifies or limits the 2193 number of times that a parcel owner may rent his or her parcel 2194 during a specified period, applies only to a parcel owner who 2195 consents, individually or through a representative, to the 2196 amendment, and to parcel owners who acquire title to a parcel 2197 after the effective date of the amendment.

2198 <u>2. Notwithstanding subparagraph 1., an association may</u> 2199 <u>amend its governing documents to prohibit or regulate rental</u> 2200 <u>durations that are for terms of less than 6 months and to</u>

# Page 88 of 92

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2201 prohibit a parcel owner from renting his or parcel more than 2202 three times in a calendar year. Such amendments apply to all 2203 parcel owners. 2204 3. This paragraph does not affect the amendment restrictions for associations of 15 or fewer parcel owners as 2205 2206 provided in s. 720.303(1). 2207 4. For purposes of this paragraph, a change of ownership 2208 does not occur when a parcel owner conveys the parcel to an 2209 affiliated entity or when beneficial ownership of the parcel 2210 does not change. For purposes of this paragraph, the term 2211 "affiliated entity" means an entity which controls, is controlled by, or is under common control with the parcel owner 2212 2213 or that becomes a parent or successor entity by reason of 2214 transfer, merger, consolidation, public offering, 2215 reorganization, dissolution or sale of stock, or transfer of 2216 membership partnership interests. For a conveyance to be 2217 recognized as one made to an affiliated entity, the entity must 2218 furnish the association a document certifying that this 2219 paragraph applies, as well as providing any organizational 2220 documents for the parcel owner and the affiliated entity that support the representations in the certificate, as requested by 2221 2222 the association. 2223 ELECTIONS AND BOARD VACANCIES.-(9) 2224 (C) Any election dispute between a member and an 2225 association must be submitted to mandatory binding arbitration

# Page 89 of 92

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2226 with the division or filed with a court of competent 2227 jurisdiction. Such proceedings that are submitted to binding 2228 arbitration with the division must be conducted in the manner 2229 provided by s. 718.1255 and the procedural rules adopted by the 2230 division. Unless otherwise provided in the bylaws, any vacancy 2231 occurring on the board before the expiration of a term may be 2232 filled by an affirmative vote of the majority of the remaining 2233 directors, even if the remaining directors constitute less than 2234 a quorum, or by the sole remaining director. In the alternative, 2235 a board may hold an election to fill the vacancy, in which case 2236 the election procedures must conform to the requirements of the 2237 governing documents. Unless otherwise provided in the bylaws, a 2238 board member appointed or elected under this section is 2239 appointed for the unexpired term of the seat being filled. 2240 Filling vacancies created by recall is governed by s. 2241 720.303(10) and rules adopted by the division. 2242 Section 22. Subsection (1) of section 720.311, Florida 2243 Statutes, is amended to read:

2244

720.311 Dispute resolution.-

(1) The Legislature finds that alternative dispute resolution has made progress in reducing court dockets and trials and in offering a more efficient, cost-effective option to litigation. The filing of any petition for arbitration or the serving of a demand for presuit mediation as provided for in this section shall toll the applicable statute of limitations.

# Page 90 of 92

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2251 Any recall dispute filed with the department under <del>pursuant to</del> 2252 s. 720.303(10) shall be conducted by the department in 2253 accordance with the provisions of ss. 718.112(2)(j) and 718.1255 2254 and the rules adopted by the division. In addition, the 2255 department shall conduct mandatory binding arbitration of 2256 election disputes between a member and an association in 2257 accordance with <del>pursuant to</del> s. 718.1255 and rules adopted by the 2258 division. Neither Election disputes and nor recall disputes are 2259 not eligible for presuit mediation; these disputes must shall be 2260 arbitrated by the department or filed in a court of competent 2261 jurisdiction. At the conclusion of an arbitration the 2262 proceeding, the department shall charge the parties a fee in an 2263 amount adequate to cover all costs and expenses incurred by the 2264 department in conducting the proceeding. Initially, the 2265 petitioner shall remit a filing fee of at least \$200 to the 2266 department. The fees paid to the department shall become a 2267 recoverable cost in the arbitration proceeding, and the 2268 prevailing party in an arbitration proceeding shall recover its 2269 reasonable costs and attorney attorney's fees in an amount found 2270 reasonable by the arbitrator. The department shall adopt rules 2271 to effectuate the purposes of this section.

2272 Section 23. Subsection (6) is added to section 720.3075, 2273 Florida Statutes, to read:

- 2274
- 2275

(6) The association may extinguish a discriminatory

720.3075 Prohibited clauses in association documents.-

# Page 91 of 92

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2276	restric	ction a	as pro	ovideo	d in	s. 712	2.065.	<u>.</u>				
2277	Se	ection	24.	This	act	shall	take	effect	July	1,	2020.	
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