

By the Committee on Commerce, Economic Opportunities, and
Consumer Services; and Senator Geller

310-1896-03

1 A bill to be entitled
2 An act relating to corporate affairs; amending
3 s. 617.01401, F.S.; defining the term
4 "electronic transmission" for purposes of the
5 Florida Not For Profit Corporation Act;
6 amending s. 617.0141, F.S.; authorizing forms
7 of electronic transmission of notice for
8 domestic or foreign corporations; providing for
9 a corporation member to revoke consent to
10 receiving notice by electronic transmission;
11 providing that an affidavit of notice by
12 electronic transmission is, in the absence of
13 fraud, prima facie evidence of the facts stated
14 in the notice; amending ss. 718.111 and
15 718.112, F.S.; providing for a condominium
16 association to transmit electronic notices to
17 unit owners; providing that the association is
18 not liable for erroneously disclosing certain
19 address information; revising requirements for
20 use of proxies for voting; authorizing the
21 association to broadcast notice via a
22 closed-circuit television system; prohibiting
23 notice by electronic transmission for a recall
24 of board members; providing for association
25 bylaws to authorize the electronic transmission
26 of notices; amending s. 718.116, F.S.;
27 authorizing the association to charge a fee for
28 preparation of the certificate of assessments
29 and other moneys due; amending ss. 719.104 and
30 719.106, F.S.; providing for a cooperative
31 association to transmit electronic notices to

1 unit owners; providing that the association is
2 not liable for erroneously disclosing certain
3 address information; revising requirements for
4 use of proxies for voting; authorizing the
5 association to broadcast notice via a
6 closed-circuit television system; prohibiting
7 notice by electronic transmission for a recall
8 of board members; providing for association
9 bylaws to authorize the electronic transmission
10 of notices; amending s. 719.108, F.S.;
11 authorizing the association to charge a fee for
12 preparation of the certificate of assessments
13 and other moneys due; amending s. 720.302,
14 F.S.; clarifying that corporations not for
15 profit that operate residential homeowners'
16 associations are subject to the Florida Not For
17 Profit Corporation Act; amending s. 720.303,
18 F.S.; authorizing a homeowners' association to
19 broadcast notice via a closed-circuit
20 television system; providing that the
21 association is not liable for erroneously
22 disclosing certain address information;
23 providing an effective date.

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

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27 Section 1. Section 617.01401, Florida Statutes, is
28 amended to read:

29 617.01401 Definitions.--As used in this act, unless
30 the context otherwise requires, the term:

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1 (1) "Articles of incorporation" includes original,
2 amended, and restated articles of incorporation, articles of
3 consolidation, and articles of merger, and all amendments
4 thereto, including documents designated by the laws of this
5 state as charters, and, in the case of a foreign corporation,
6 documents equivalent to articles of incorporation in the
7 jurisdiction of incorporation.

8 (2) "Board of directors" means the group of persons
9 vested with the management of the affairs of the corporation
10 irrespective of the name by which such group is designated,
11 including, but not limited to, managers or trustees.

12 (3) "Bylaws" means the code or codes of rules adopted
13 for the regulation or management of the affairs of the
14 corporation irrespective of the name or names by which such
15 rules are designated.

16 (4) "Corporation" or "domestic corporation" means a
17 corporation not for profit, subject to the provisions of this
18 act, except a foreign corporation.

19 (5) "Corporation not for profit" means a corporation
20 no part of the income or profit of which is distributable to
21 its members, directors, or officers.

22 (6) "Electronic transmission" means any form of
23 communication, not directly involving the physical
24 transmission or transfer of paper, which creates a record that
25 may be retained, retrieved, and reviewed by a recipient
26 thereof and which may be directly reproduced in a
27 comprehensible and legible paper form by such recipient
28 through an automated process. Examples of electronic
29 transmission include, but are not limited to, telegrams,
30 facsimile transmissions of images, and text that is sent via
31 electronic mail between computers.

1 (7)~~(6)~~ "Foreign corporation" means a corporation not
2 for profit organized under laws other than the laws of this
3 state.

4 (8)~~(7)~~ "Insolvent" means the inability of a
5 corporation to pay its debts as they become due in the usual
6 course of its affairs.

7 (9)~~(8)~~ "Mail" means the United States mail, facsimile
8 transmissions, and private mail carriers handling nationwide
9 mail services.

10 (10)~~(9)~~ "Member" means one having membership rights in
11 a corporation in accordance with the provisions of its
12 articles of incorporation or bylaws or the provisions of this
13 act.

14 (11)~~(10)~~ "Person" includes individual and entity.

15 Section 2. Section 617.0141, Florida Statutes, is
16 amended to read:

17 617.0141 Notice.--

18 (1) Notice under this act must be in writing, unless
19 oral notice is:

20 (a) Expressly authorized by the articles of
21 incorporation or the bylaws; and

22 (b) Reasonable under the circumstances.

23 (2) Notice may be communicated in person; by telephone
24 (where oral notice is permitted), telegraph, teletype, or
25 other form of electronic transmission ~~communication~~; or by
26 mail.

27 (3) Written notice by a domestic or foreign
28 corporation authorized to conduct its affairs in this state to
29 its member, if in a comprehensible form, is effective;

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1 (a) When mailed, if mailed postpaid and correctly
2 addressed to the member's address shown in the corporation's
3 current record of members;

4 (b) When actually transmitted by facsimile
5 telecommunication, if correctly directed to a number at which
6 the member has consented to receive notice;

7 (c) When actually transmitted by electronic mail, if
8 correctly directed to an electronic mail address at which the
9 member has consented to receive notice;

10 (d) When posted on an electronic network that the
11 member has consented to consult, upon the later of:

12 1. Such correct posting; or

13 2. The giving of a separate notice to the member of
14 the fact of such specific posting; or

15 (e) When correctly transmitted to the member, if by
16 any other form of electronic transmission consented to by the
17 member to whom notice is given.

18 (4) Consent by a member to receiving notice by
19 electronic transmission shall be revocable by the member by
20 written notice to the corporation. Any such consent shall be
21 deemed revoked if:

22 (a) The corporation is unable to deliver by electronic
23 transmission two consecutive notices given by the corporation
24 in accordance with such consent; and

25 (b) Such inability becomes known to the secretary or
26 an assistant secretary of the corporation, or other authorized
27 person responsible for the giving of notice. However, the
28 inadvertent failure to treat such inability as a revocation
29 does not invalidate any meeting or other action.

30 (5)~~(4)~~ Written notice to a domestic or foreign
31 corporation authorized to conduct its affairs in this state

1 may be addressed to its registered agent at its registered
2 office or to the corporation or its secretary at its principal
3 office shown in its most recent annual report or, in the case
4 of a corporation that has not yet delivered an annual report,
5 in a domestic corporation's articles of incorporation or in a
6 foreign corporation's application for certificate of
7 authority.

8 (6)~~(5)~~ Except as provided in subsection (3) or
9 elsewhere in this act, written notice, if in a comprehensible
10 form, is effective at the earliest date of the following:

11 (a) When received;

12 (b) Five days after its deposit in the United States
13 mail, as evidenced by the postmark, if mailed postpaid and
14 correctly addressed; or

15 (c) On the date shown on the return receipt, if sent
16 by registered or certified mail, return receipt requested, and
17 the receipt is signed by or on behalf of the addressee.

18 (7)~~(6)~~ Oral notice is effective when communicated if
19 communicated directly to the person to be notified in a
20 comprehensible manner.

21 (8) An affidavit of the secretary, an assistant
22 secretary, the transfer agent, or other authorized agent of
23 the corporation that the notice has been given by a form of
24 electronic transmission is, in the absence of fraud, prima
25 facie evidence of the facts stated in the notice.

26 (9)~~(7)~~ If this act prescribes notice requirements for
27 particular circumstances, those requirements govern. If
28 articles of incorporation or bylaws prescribe notice
29 requirements not less stringent than the requirements of this
30 section or other provisions of this act, those requirements
31 govern.

1 Section 3. Paragraph (a) of subsection (12) of section
2 718.111, Florida Statutes, is amended to read:

3 718.111 The association.--

4 (12) OFFICIAL RECORDS.--

5 (a) From the inception of the association, the
6 association shall maintain each of the following items, when
7 applicable, which shall constitute the official records of the
8 association:

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

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

14 3. A photocopy of the recorded bylaws of the
15 association and of each amendment to the bylaws.

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

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

20 6. A book or books which contain the minutes of all
21 meetings of the association, of the board of directors, and of
22 unit owners, which minutes shall be retained for a period of
23 not less than 7 years.

24 7. A current roster of all unit owners and their
25 postal and electronic mailing addresses, unit identifications,
26 voting certifications, and, if known, telephone numbers. Upon
27 the request of the unit owner in writing, the electronic mail
28 address and the number designated by the unit owner for
29 receiving electronic transmission of notices shall not be
30 included in the official records of the association. However,
31 the association is not liable for an erroneous disclosure of

1 the electronic mail address or the number for receiving
2 electronic transmission of notices.

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

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

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

11 11. Accounting records for the association and
12 separate accounting records for each condominium which the
13 association operates. All accounting records shall be
14 maintained for a period of not less than 7 years. The
15 accounting records shall include, but are not limited to:

16 a. Accurate, itemized, and detailed records of all
17 receipts and expenditures.

18 b. A current account and a monthly, bimonthly, or
19 quarterly statement of the account for each unit designating
20 the name of the unit owner, the due date and amount of each
21 assessment, the amount paid upon the account, and the balance
22 due.

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

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

28 12. Ballots, sign-in sheets, voting proxies, and all
29 other papers relating to voting by unit owners, which shall be
30 maintained for a period of 1 year from the date of the
31 election, vote, or meeting to which the document relates.

1 13. All rental records, when the association is acting
2 as agent for the rental of condominium units.

3 14. A copy of the current question and answer sheet as
4 described by s. 718.504.

5 15. All other records of the association not
6 specifically included in the foregoing which are related to
7 the operation of the association.

8 Section 4. Paragraphs (b), (c), (d), (e), and (j) of
9 subsection (2) and subsection (3) of section 718.112, Florida
10 Statutes, are amended to read:

11 718.112 Bylaws.--

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

15 (b) Quorum; voting requirements; proxies.--

16 1. Unless a lower number is provided in the bylaws,
17 the percentage of voting interests required to constitute a
18 quorum at a meeting of the members shall be a majority of the
19 voting interests. Unless otherwise provided in this chapter
20 or in the declaration, articles of incorporation, or bylaws,
21 and except as provided in subparagraph (d)3., decisions shall
22 be made by owners of a majority of the voting interests
23 represented at a meeting at which a quorum is present.

24 2. Except as specifically otherwise provided herein,
25 after January 1, 1992, unit owners may not vote by general
26 proxy, but may vote by limited proxies substantially
27 conforming to a limited proxy form adopted by the division.
28 Limited proxies and general proxies may be used to establish a
29 quorum. Limited proxies shall be used for votes taken to
30 waive or reduce reserves in accordance with subparagraph
31 (f)2.; for votes taken to waive the financial reporting

1 requirements of s. 718.111(13);for votes taken to amend the
2 declaration pursuant to s. 718.110; for votes taken to amend
3 the articles of incorporation or bylaws pursuant to this
4 section; and for any other matter for which this chapter
5 requires or permits a vote of the unit owners. Except as
6 provided in paragraph (d), after January 1, 1992, no proxy,
7 limited or general, shall be used in the election of board
8 members. General proxies may be used for other matters for
9 which limited proxies are not required, and may also be used
10 in voting for nonsubstantive changes to items for which a
11 limited proxy is required and given. Notwithstanding the
12 provisions of this subparagraph, unit owners may vote in
13 person at unit owner meetings. Nothing contained herein shall
14 limit the use of general proxies or require the use of limited
15 proxies for any agenda item or election at any meeting of a
16 timeshare condominium association.

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

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

30 5. When any of the board or committee members meet by
31 telephone conference, those board or committee members

1 attending by telephone conference may be counted toward
2 obtaining a quorum and may vote by telephone. A telephone
3 speaker must be used so that the conversation of those board
4 or committee members attending by telephone may be heard by
5 the board or committee members attending in person as well as
6 by any unit owners present at a meeting.

7 (c) Board of administration meetings.--Meetings of the
8 board of administration at which a quorum of the members is
9 present shall be open to all unit owners. Any unit owner may
10 tape record or videotape meetings of the board of
11 administration. The right to attend such meetings includes
12 the right to speak at such meetings with reference to all
13 designated agenda items. The division shall adopt reasonable
14 rules governing the tape recording and videotaping of the
15 meeting. The association may adopt written reasonable rules
16 governing the frequency, duration, and manner of unit owner
17 statements. Adequate notice of all meetings, which notice
18 shall specifically incorporate an identification of agenda
19 items, shall be posted conspicuously on the condominium
20 property at least 48 continuous hours preceding the meeting
21 except in an emergency. Any item not included on the notice
22 may be taken up on an emergency basis by at least a majority
23 plus one of the members of the board. Such emergency action
24 shall be noticed and ratified at the next regular meeting of
25 the board. However, written notice of any meeting at which
26 nonemergency special assessments, or at which amendment to
27 rules regarding unit use, will be considered shall be mailed,
28 ~~or delivered,~~ or electronically transmitted to the unit owners
29 and posted conspicuously on the condominium property not less
30 than 14 days prior to the meeting. Evidence of compliance with
31 this 14-day notice shall be made by an affidavit executed by

1 the person providing the notice and filed among the official
2 records of the association. Upon notice to the unit owners,
3 the board shall by duly adopted rule designate a specific
4 location on the condominium property or association property
5 upon which all notices of board meetings shall be posted. If
6 there is no condominium property or association property upon
7 which notices can be posted, notices of board meetings shall
8 be mailed, ~~or delivered,~~ or electronically transmitted at
9 least 14 days before the meeting to the owner of each unit. In
10 lieu of or in addition to the physical posting of notice of
11 any meeting of the board of administration on the condominium
12 property, the association may, by reasonable rule, adopt a
13 procedure for conspicuously posting and repeatedly
14 broadcasting the notice and the agenda on a closed-circuit
15 cable television system serving the condominium association.
16 However, if broadcast notice is used in lieu of a notice
17 posted physically on the condominium property, the notice and
18 agenda must be broadcast at least four times every broadcast
19 hour of each day that a posted notice is otherwise required
20 under this section. When broadcast notice is provided, the
21 notice and agenda must be broadcast in a manner and for a
22 sufficient continuous length of time so as to allow an average
23 reader to observe the notice and read and comprehend the
24 entire content of the notice and the agenda. Notice of any
25 meeting in which regular assessments against unit owners are
26 to be considered for any reason shall specifically contain a
27 statement that assessments will be considered and the nature
28 of any such assessments. Meetings of a committee to take final
29 action on behalf of the board or make recommendations to the
30 board regarding the association budget are subject to the
31 provisions of this paragraph. Meetings of a committee that

1 does not take final action on behalf of the board or make
2 recommendations to the board regarding the association budget
3 are subject to the provisions of this section, unless those
4 meetings are exempted from this section by the bylaws of the
5 association. Notwithstanding any other law, the requirement
6 that board meetings and committee meetings be open to the unit
7 owners is inapplicable to meetings between the board or a
8 committee and the association's attorney, with respect to
9 proposed or pending litigation, when the meeting is held for
10 the purpose of seeking or rendering legal advice.

11 (d) Unit owner meetings.--

12 1. There shall be an annual meeting of the unit
13 owners. Unless the bylaws provide otherwise, a vacancy on the
14 board caused by the expiration of a director's term shall be
15 filled by electing a new board member, and the election shall
16 be by secret ballot; however, if the number of vacancies
17 equals or exceeds the number of candidates, no election is
18 required. If there is no provision in the bylaws for terms of
19 the members of the board, the terms of all members of the
20 board shall expire upon the election of their successors at
21 the annual meeting. Any unit owner desiring to be a candidate
22 for board membership shall comply with subparagraph 3. A
23 person who has been convicted of any felony by any court of
24 record in the United States and who has not had his or her
25 right to vote restored pursuant to law in the jurisdiction of
26 his or her residence is not eligible for board membership. The
27 validity of an action by the board is not affected if it is
28 later determined that a member of the board is ineligible for
29 board membership due to having been convicted of a felony.

30 2. The bylaws shall provide the method of calling
31 meetings of unit owners, including annual meetings. Written

1 notice, which notice must include an agenda, shall be mailed,
2 ~~or hand delivered,~~ or electronically transmitted to each unit
3 owner at least 14 days prior to the annual meeting and shall
4 be posted in a conspicuous place on the condominium property
5 at least 14 continuous days preceding the annual meeting. Upon
6 notice to the unit owners, the board shall by duly adopted
7 rule designate a specific location on the condominium property
8 or association property upon which all notices of unit owner
9 meetings shall be posted; however, if there is no condominium
10 property or association property upon which notices can be
11 posted, this requirement does not apply. In lieu of or in
12 addition to the physical posting of notice of any meeting of
13 the unit owners on the condominium property, the association
14 may, by reasonable rule, adopt a procedure for conspicuously
15 posting and repeatedly broadcasting the notice and the agenda
16 on a closed-circuit cable television system serving the
17 condominium association. However, if broadcast notice is used
18 in lieu of a notice posted physically on the condominium
19 property, the notice and agenda must be broadcast at least
20 four times every broadcast hour of each day that a posted
21 notice is otherwise required under this section. When
22 broadcast notice is provided, the notice and agenda must be
23 broadcast in a manner and for a sufficient continuous length
24 of time so as to allow an average reader to observe the notice
25 and read and comprehend the entire content of the notice and
26 the agenda. Unless a unit owner waives in writing the right to
27 receive notice of the annual meeting, such notice shall be
28 hand delivered, ~~or mailed,~~ or electronically transmitted to
29 each unit owner. Notice for meetings and notice for all other
30 purposes shall be mailed to each unit owner at the address
31 last furnished to the association by the unit owner, or hand

1 delivered to each unit owner. However, if a unit is owned by
2 more than one person, the association shall provide notice,
3 for meetings and all other purposes, to that one address which
4 the developer initially identifies for that purpose and
5 thereafter as one or more of the owners of the unit shall so
6 advise the association in writing, or if no address is given
7 or the owners of the unit do not agree, to the address
8 provided on the deed of record. An officer of the association,
9 or the manager or other person providing notice of the
10 association meeting, shall provide an affidavit or United
11 States Postal Service certificate of mailing, to be included
12 in the official records of the association affirming that the
13 notice was mailed or hand delivered, in accordance with this
14 provision.

15 3. The members of the board shall be elected by
16 written ballot or voting machine. Proxies shall in no event be
17 used in electing the board, either in general elections or
18 elections to fill vacancies caused by recall, resignation, or
19 otherwise, unless otherwise provided in this chapter. Not less
20 than 60 days before a scheduled election, the association
21 shall mail,~~or deliver,~~ or electronically transmit, whether by
22 separate association mailing or included in another
23 association mailing,~~or delivery,~~ or transmission, including
24 regularly published newsletters, to each unit owner entitled
25 to a vote, a first notice of the date of the election. Any
26 unit owner or other eligible person desiring to be a candidate
27 for the board must give written notice to the association not
28 less than 40 days before a scheduled election. Together with
29 the written notice and agenda as set forth in subparagraph 2.,
30 the association shall mail,~~or deliver,~~ or electronically
31 transmit a second notice of the election to all unit owners

1 entitled to vote therein, together with a ballot which shall
2 list all candidates. Upon request of a candidate, the
3 association shall include an information sheet, no larger than
4 8 1/2 inches by 11 inches, which must be furnished by the
5 candidate not less than 35 days before the election, to be
6 included with the mailing, delivery, or transmission of the
7 ballot, with the costs of mailing, or delivery, or electronic
8 transmission and copying to be borne by the association. The
9 association is not liable for the contents of the information
10 sheets prepared by the candidates. In order to reduce costs,
11 the association may print or duplicate the information sheets
12 on both sides of the paper. The division shall by rule
13 establish voting procedures consistent with the provisions
14 contained herein, including rules providing for giving notice
15 to the members by electronic transmission in a manner
16 authorized by law and for the secrecy of ballots. Elections
17 shall be decided by a plurality of those ballots cast. There
18 shall be no quorum requirement; however, at least 20 percent
19 of the eligible voters must cast a ballot in order to have a
20 valid election of members of the board. No unit owner shall
21 permit any other person to vote his or her ballot, and any
22 such ballots improperly cast shall be deemed invalid, provided
23 any unit owner who violates this provision may be fined by the
24 association in accordance with s. 718.303. A unit owner who
25 needs assistance in casting the ballot for the reasons stated
26 in s. 101.051 may obtain assistance in casting the ballot. The
27 regular election shall occur on the date of the annual
28 meeting. The provisions of this subparagraph shall not apply
29 to timeshare condominium associations. Notwithstanding the
30 provisions of this subparagraph, an election is not required
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1 unless more candidates file notices of intent to run or are
2 nominated than board vacancies exist.

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

14 5. Unit owners may waive notice of specific meetings
15 if allowed by the applicable bylaws or declaration or any
16 statute. Unit owners may consent to receiving notice of board,
17 committee, and membership meetings by electronic transmission
18 if the bylaws provide a method for giving notice by electronic
19 transmission.

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

25 7. Any unit owner may tape record or videotape a
26 meeting of the unit owners subject to reasonable rules adopted
27 by the division.

28 8. Unless otherwise provided in the bylaws, any
29 vacancy occurring on the board before the expiration of a term
30 may be filled by the affirmative vote of the majority of the
31 remaining directors, even if the remaining directors

1 constitute less than a quorum, or by the sole remaining
2 director. In the alternative, a board may hold an election to
3 fill the vacancy, in which case the election procedures must
4 conform to the requirements of subparagraph 3. unless the
5 association has opted out of the statutory election process,
6 in which case the bylaws of the association control. Unless
7 otherwise provided in the bylaws, a board member appointed or
8 elected under this section shall fill the vacancy for the
9 unexpired term of the seat being filled. Filling vacancies
10 created by recall is governed by paragraph (j) and rules
11 adopted by the division.

12

13 Notwithstanding subparagraphs (b)2. and (d)3., an association
14 may, by the affirmative vote of a majority of the total voting
15 interests, provide for different voting and election
16 procedures in its bylaws, which vote may be by a proxy
17 specifically delineating the different voting and election
18 procedures. The different voting and election procedures may
19 provide for elections to be conducted by limited or general
20 proxy.

21 (e) Budget meeting.--

22 1. Any meeting at which a proposed annual budget of an
23 association will be considered by the board or unit owners
24 shall be open to all unit owners. At least 14 days prior to
25 such a meeting, the board shall hand deliver to each unit
26 owner, ~~or~~ mail to each unit owner at the address last
27 furnished to the association by the unit owner, or
28 electronically transmit to the location furnished by the unit
29 owner for that purpose a notice of such meeting and a copy of
30 the proposed annual budget. An officer or manager of the
31 association, or other person providing notice of such meeting,

1 shall execute an affidavit evidencing compliance with such
2 notice requirement, and such affidavit shall be filed among
3 the official records of the association.

4 2.a. If a board adopts in any fiscal year an annual
5 budget which requires assessments against unit owners which
6 exceed 115 percent of assessments for the preceding fiscal
7 year, the board shall conduct a special meeting of the unit
8 owners to consider a substitute budget if the board receives,
9 within 21 days after adoption of the annual budget, a written
10 request for a special meeting from at least 10 percent of all
11 voting interests. The special meeting shall be conducted
12 within 60 days after adoption of the annual budget. At least
13 14 days prior to such special meeting, the board shall hand
14 deliver to each unit owner, or mail to each unit owner at the
15 address last furnished to the association, a notice of the
16 meeting. An officer or manager of the association, or other
17 person providing notice of such meeting shall execute an
18 affidavit evidencing compliance with this notice requirement,
19 and such affidavit shall be filed among the official records
20 of the association. Unit owners may consider and adopt a
21 substitute budget at the special meeting. A substitute budget
22 is adopted if approved by a majority of all voting interests
23 unless the bylaws require adoption by a greater percentage of
24 voting interests. If there is not a quorum at the special
25 meeting or a substitute budget is not adopted, the annual
26 budget previously adopted by the board shall take effect as
27 scheduled.

28 b. Any determination of whether assessments exceed 115
29 percent of assessments for the prior fiscal year shall exclude
30 any authorized provision for reasonable reserves for repair or
31 replacement of the condominium property, anticipated expenses

1 of the association which the board does not expect to be
2 incurred on a regular or annual basis, or assessments for
3 betterments to the condominium property.

4 c. If the developer controls the board, assessments
5 shall not exceed 115 percent of assessments for the prior
6 fiscal year unless approved by a majority of all voting
7 interests.

8 (j) Recall of board members.--Subject to the
9 provisions of s. 718.301, any member of the board of
10 administration may be recalled and removed from office with or
11 without cause by the vote or agreement in writing by a
12 majority of all the voting interests. A special meeting of the
13 unit owners to recall a member or members of the board of
14 administration may be called by 10 percent of the voting
15 interests giving notice of the meeting as required for a
16 meeting of unit owners, and the notice shall state the purpose
17 of the meeting. Electronic transmission may not be used as a
18 method of giving notice of a meeting called in whole or in
19 part for this purpose.

20 1. If the recall is approved by a majority of all
21 voting interests by a vote at a meeting, the recall will be
22 effective as provided herein. The board shall duly notice and
23 hold a board meeting within 5 full business days of the
24 adjournment of the unit owner meeting to recall one or more
25 board members. At the meeting, the board shall either certify
26 the recall, in which case such member or members shall be
27 recalled effective immediately and shall turn over to the
28 board within 5 full business days any and all records and
29 property of the association in their possession, or shall
30 proceed as set forth in subparagraph 3.

31

1 2. If the proposed recall is by an agreement in
2 writing by a majority of all voting interests, the agreement
3 in writing or a copy thereof shall be served on the
4 association by certified mail or by personal service in the
5 manner authorized by chapter 48 and the Florida Rules of Civil
6 Procedure. The board of administration shall duly notice and
7 hold a meeting of the board within 5 full business days after
8 receipt of the agreement in writing. At the meeting, the board
9 shall either certify the written agreement to recall a member
10 or members of the board, in which case such member or members
11 shall be recalled effective immediately and shall turn over to
12 the board within 5 full business days any and all records and
13 property of the association in their possession, or proceed as
14 described in subparagraph 3.

15 3. If the board determines not to certify the written
16 agreement to recall a member or members of the board, or does
17 not certify the recall by a vote at a meeting, the board
18 shall, within 5 full business days after the meeting, file
19 with the division a petition for arbitration pursuant to the
20 procedures in s. 718.1255. For the purposes of this section,
21 the unit owners who voted at the meeting or who executed the
22 agreement in writing shall constitute one party under the
23 petition for arbitration. If the arbitrator certifies the
24 recall as to any member or members of the board, the recall
25 will be effective upon mailing of the final order of
26 arbitration to the association. If the association fails to
27 comply with the order of the arbitrator, the division may take
28 action pursuant to s. 718.501. Any member or members so
29 recalled shall deliver to the board any and all records of the
30 association in their possession within 5 full business days of
31 the effective date of the recall.

1 4. If the board fails to duly notice and hold a board
2 meeting within 5 full business days of service of an agreement
3 in writing or within 5 full business days of the adjournment
4 of the unit owner recall meeting, the recall shall be deemed
5 effective and the board members so recalled shall immediately
6 turn over to the board any and all records and property of the
7 association.

8 5. If a vacancy occurs on the board as a result of a
9 recall and less than a majority of the board members are
10 removed, the vacancy may be filled by the affirmative vote of
11 a majority of the remaining directors, notwithstanding any
12 provision to the contrary contained in this subsection. If
13 vacancies occur on the board as a result of a recall and a
14 majority or more of the board members are removed, the
15 vacancies shall be filled in accordance with procedural rules
16 to be adopted by the division, which rules need not be
17 consistent with this subsection. The rules must provide
18 procedures governing the conduct of the recall election as
19 well as the operation of the association during the period
20 after a recall but prior to the recall election.

21 (3) OPTIONAL PROVISIONS.--The bylaws as originally
22 recorded or as amended under the procedures provided therein
23 may provide for the following:

24 (a) A method of adopting and amending administrative
25 rules and regulations governing the details of the operation
26 and use of the common elements.

27 (b) Restrictions on and requirements for the use,
28 maintenance, and appearance of the units and the use of the
29 common elements.

30 (c) Provisions for giving notice by electronic
31 transmission in a manner authorized by law of meetings of the

1 board of directors and committees and of annual and special
2 meetings of the members.

3 (d)~~(c)~~ Other provisions which are not inconsistent
4 with this chapter or with the declaration, as may be desired.

5 Section 5. Subsection (8) of section 718.116, Florida
6 Statutes, is amended to read:

7 718.116 Assessments; liability; lien and priority;
8 interest; collection.--

9 (8) Within 15 days after receiving a written request
10 therefor from a unit owner purchaser, or mortgagee, the
11 association shall provide a certificate signed by an officer
12 or agent of the association stating all assessments and other
13 moneys owed to the association by the unit owner with respect
14 to the condominium parcel. Any person other than the owner who
15 relies upon such certificate shall be protected thereby. A
16 summary proceeding pursuant to s. 51.011 may be brought to
17 compel compliance with this subsection, and in any such action
18 the prevailing party is entitled to recover reasonable
19 attorney's fees. Notwithstanding any limitation on transfer
20 fees contained in s. 718.112(2)(i), the association or its
21 authorized agent may charge a reasonable fee for the
22 preparation of the certificate.

23 Section 6. Paragraph (a) of subsection (2) of section
24 719.104, Florida Statutes, is amended to read:

25 719.104 Cooperatives; access to units; records;
26 financial reports; assessments; purchase of leases.--

27 (2) OFFICIAL RECORDS.--

28 (a) From the inception of the association, the
29 association shall maintain a copy of each of the following,
30 where applicable, which shall constitute the official records
31 of the association:

- 1 1. The plans, permits, warranties, and other items
2 provided by the developer pursuant to s. 719.301(4).
3 2. A photocopy of the cooperative documents.
4 3. A copy of the current rules of the association.
5 4. A book or books containing the minutes of all
6 meetings of the association, of the board of directors, and of
7 the unit owners, which minutes shall be retained for a period
8 of not less than 7 years.
9 5. A current roster of all unit owners and their
10 postal and electronic mailing addresses, unit identifications,
11 voting certifications, and, if known, telephone numbers. Upon
12 the request of the unit owner in writing, the electronic mail
13 address and the number designated by the unit owner for
14 receiving electronic transmission of notices shall not be
15 included in the official records of the association. However,
16 the association is not liable for an erroneous disclosure of
17 the electronic mail address or the number for receiving
18 electronic transmission of notices.
19 6. All current insurance policies of the association.
20 7. A current copy of any management agreement, lease,
21 or other contract to which the association is a party or under
22 which the association or the unit owners have an obligation or
23 responsibility.
24 8. Bills of sale or transfer for all property owned by
25 the association.
26 9. Accounting records for the association and separate
27 accounting records for each unit it operates, according to
28 good accounting practices. All accounting records shall be
29 maintained for a period of not less than 7 years. The
30 accounting records shall include, but not be limited to:
31

1 a. Accurate, itemized, and detailed records of all
2 receipts and expenditures.

3 b. A current account and a monthly, bimonthly, or
4 quarterly statement of the account for each unit designating
5 the name of the unit owner, the due date and amount of each
6 assessment, the amount paid upon the account, and the balance
7 due.

8 c. All audits, reviews, accounting statements, and
9 financial reports of the association.

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

13 10. Ballots, sign-in sheets, voting proxies, and all
14 other papers relating to voting by unit owners, which shall be
15 maintained for a period of 1 year after the date of the
16 election, vote, or meeting to which the document relates.

17 11. All rental records where the association is acting
18 as agent for the rental of units.

19 12. A copy of the current question and answer sheet as
20 described in s. 719.504.

21 13. All other records of the association not
22 specifically included in the foregoing which are related to
23 the operation of the association.

24 Section 7. Paragraphs (b), (c), (d), (e), and (f) of
25 subsection (1) and subsection (2) of section 719.106, Florida
26 Statutes, are amended to read:

27 719.106 Bylaws; cooperative ownership.--

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

31 (b) Quorum; voting requirements; proxies.--

1 1. Unless otherwise provided in the bylaws, the
2 percentage of voting interests required to constitute a quorum
3 at a meeting of the members shall be a majority of voting
4 interests, and decisions shall be made by owners of a majority
5 of the voting interests. Unless otherwise provided in this
6 chapter, or in the articles of incorporation, bylaws, or other
7 cooperative documents, and except as provided in subparagraph
8 (d)1., decisions shall be made by owners of a majority of the
9 voting interests represented at a meeting at which a quorum is
10 present.

11 2. Except as specifically otherwise provided herein,
12 after January 1, 1992, unit owners may not vote by general
13 proxy, but may vote by limited proxies substantially
14 conforming to a limited proxy form adopted by the division.
15 Limited proxies and general proxies may be used to establish a
16 quorum. Limited proxies shall be used for votes taken to
17 waive or reduce reserves in accordance with subparagraph
18 (j)2., for votes taken to waive the financial reporting
19 requirements of s. 719.104(4),for votes taken to amend the
20 articles of incorporation or bylaws pursuant to this section,
21 and for any other matter for which this chapter requires or
22 permits a vote of the unit owners. Except as provided in
23 paragraph (d), after January 1, 1992, no proxy, limited or
24 general, shall be used in the election of board members.
25 General proxies may be used for other matters for which
26 limited proxies are not required, and may also be used in
27 voting for nonsubstantive changes to items for which a limited
28 proxy is required and given. Notwithstanding the provisions of
29 this section, unit owners may vote in person at unit owner
30 meetings. Nothing contained herein shall limit the use of
31 general proxies or require the use of limited proxies or

1 require the use of limited proxies for any agenda item or
2 election at any meeting of a timeshare cooperative.

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

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

16 5. When some or all of the board or committee members
17 meet by telephone conference, those board or committee members
18 attending by telephone conference may be counted toward
19 obtaining a quorum and may vote by telephone. A telephone
20 speaker shall be utilized so that the conversation of those
21 board or committee members attending by telephone may be heard
22 by the board or committee members attending in person, as well
23 as by unit owners present at a meeting.

24 (c) Board of administration meetings.--Meetings of the
25 board of administration at which a quorum of the members is
26 present shall be open to all unit owners. Any unit owner may
27 tape record or videotape meetings of the board of
28 administration. The right to attend such meetings includes
29 the right to speak at such meetings with reference to all
30 designated agenda items. The division shall adopt reasonable
31 rules governing the tape recording and videotaping of the

1 meeting. The association may adopt reasonable written rules
2 governing the frequency, duration, and manner of unit owner
3 statements. Adequate notice of all meetings shall be posted in
4 a conspicuous place upon the cooperative property at least 48
5 continuous hours preceding the meeting, except in an
6 emergency. Any item not included on the notice may be taken
7 up on an emergency basis by at least a majority plus one of
8 the members of the board. Such emergency action shall be
9 noticed and ratified at the next regular meeting of the board.
10 However, written notice of any meeting at which nonemergency
11 special assessments, or at which amendment to rules regarding
12 unit use, will be considered shall be mailed, ~~or delivered,~~ or
13 electronically transmitted to the unit owners and posted
14 conspicuously on the cooperative property not less than 14
15 days prior to the meeting. Evidence of compliance with this
16 14-day notice shall be made by an affidavit executed by the
17 person providing the notice and filed among the official
18 records of the association. Upon notice to the unit owners,
19 the board shall by duly adopted rule designate a specific
20 location on the cooperative property upon which all notices of
21 board meetings shall be posted. In lieu of or in addition to
22 the physical posting of notice of any meeting of the board of
23 administration on the cooperative property, the association
24 may, by reasonable rule, adopt a procedure for conspicuously
25 posting and repeatedly broadcasting the notice and the agenda
26 on a closed-circuit cable television system serving the
27 cooperative association. However, if broadcast notice is used
28 in lieu of a notice posted physically on the cooperative
29 property, the notice and agenda must be broadcast at least
30 four times every broadcast hour of each day that a posted
31 notice is otherwise required under this section. When

1 broadcast notice is provided, the notice and agenda must be
2 broadcast in a manner and for a sufficient continuous length
3 of time so as to allow an average reader to observe the notice
4 and read and comprehend the entire content of the notice and
5 the agenda.Notice of any meeting in which regular assessments
6 against unit owners are to be considered for any reason shall
7 specifically contain a statement that assessments will be
8 considered and the nature of any such assessments. Meetings of
9 a committee to take final action on behalf of the board or to
10 make recommendations to the board regarding the association
11 budget are subject to the provisions of this paragraph.
12 Meetings of a committee that does not take final action on
13 behalf of the board or make recommendations to the board
14 regarding the association budget are subject to the provisions
15 of this section, unless those meetings are exempted from this
16 section by the bylaws of the association. Notwithstanding any
17 other law to the contrary, the requirement that board meetings
18 and committee meetings be open to the unit owners is
19 inapplicable to meetings between the board or a committee and
20 the association's attorney, with respect to proposed or
21 pending litigation, when the meeting is held for the purpose
22 of seeking or rendering legal advice.

23 (d) Shareholder meetings.--There shall be an annual
24 meeting of the shareholders. All members of the board of
25 administration shall be elected at the annual meeting unless
26 the bylaws provide for staggered election terms or for their
27 election at another meeting. Any unit owner desiring to be a
28 candidate for board membership shall comply with subparagraph
29 1. The bylaws shall provide the method for calling meetings,
30 including annual meetings. Written notice, which notice shall
31 incorporate an identification of agenda items, shall be given

1 to each unit owner at least 14 days prior to the annual
2 meeting and shall be posted in a conspicuous place on the
3 cooperative property at least 14 continuous days preceding the
4 annual meeting. Upon notice to the unit owners, the board
5 shall by duly adopted rule designate a specific location on
6 the cooperative property upon which all notice of unit owner
7 meetings shall be posted. In lieu of or in addition to the
8 physical posting of notice of any meeting of the shareholders
9 on the cooperative property, the association may, by
10 reasonable rule, adopt a procedure for conspicuously posting
11 and repeatedly broadcasting the notice and the agenda on a
12 closed-circuit cable television system serving the cooperative
13 association. However, if broadcast notice is used in lieu of a
14 notice posted physically on the cooperative property, the
15 notice and agenda must be broadcast at least four times every
16 broadcast hour of each day that a posted notice is otherwise
17 required under this section. When broadcast notice is
18 provided, the notice and agenda must be broadcast in a manner
19 and for a sufficient continuous length of time so as to allow
20 an average reader to observe the notice and read and
21 comprehend the entire content of the notice and the agenda.
22 Unless a unit owner waives in writing the right to receive
23 notice of the annual meeting, the notice of the annual meeting
24 shall be sent by mail, hand delivered, or electronically
25 transmitted to each unit owner. An officer of the association
26 shall provide an affidavit or United States Postal Service
27 certificate of mailing, to be included in the official records
28 of the association, affirming that notices of the association
29 meeting were mailed, or hand delivered, or electronically
30 transmitted, in accordance with this provision, to each unit
31 owner at the address last furnished to the association.

1 1. After January 1, 1992, the board of administration
2 shall be elected by written ballot or voting machine. Proxies
3 shall in no event be used in electing the board of
4 administration, either in general elections or elections to
5 fill vacancies caused by recall, resignation, or otherwise
6 unless otherwise provided in this chapter. Not less than 60
7 days before a scheduled election, the association shall mail,
8 ~~or deliver, or transmit,~~whether by separate association
9 mailing, delivery, or electronic transmission or included in
10 another association mailing,~~or delivery, or electronic~~
11 transmission,including regularly published newsletters, to
12 each unit owner entitled to vote, a first notice of the date
13 of the election. Any unit owner or other eligible person
14 desiring to be a candidate for the board of administration
15 shall give written notice to the association not less than 40
16 days before a scheduled election. Together with the written
17 notice and agenda as set forth in this section, the
18 association shall mail, deliver, or electronically transmit a
19 second notice of election to all unit owners entitled to vote
20 therein, together with a ballot which shall list all
21 candidates. Upon request of a candidate, the association shall
22 include an information sheet, no larger than 8 1/2 inches by
23 11 inches, which must be furnished by the candidate not less
24 than 35 days prior to the election, to be included with the
25 mailing, delivery, or electronic transmission of the ballot,
26 with the costs of mailing,~~or delivery, or transmission~~ and
27 copying to be borne by the association. The association has no
28 liability for the contents of the information sheets provided
29 by the candidates. In order to reduce costs, the association
30 may print or duplicate the information sheets on both sides of
31 the paper. The division shall by rule establish voting

1 procedures consistent with the provisions contained herein,
2 including rules providing for giving notice by electronic
3 transmission in a manner authorized by law of meetings of the
4 board of directors and committees and of annual and special
5 meetings of the members and for the secrecy of ballots.
6 Elections shall be decided by a plurality of those ballots
7 cast. There shall be no quorum requirement. However, at least
8 20 percent of the eligible voters must cast a ballot in order
9 to have a valid election of members of the board of
10 administration. No unit owner shall permit any other person
11 to vote his or her ballot, and any such ballots improperly
12 cast shall be deemed invalid. A unit owner who needs
13 assistance in casting the ballot for the reasons stated in s.
14 101.051 may obtain assistance in casting the ballot. Any unit
15 owner violating this provision may be fined by the association
16 in accordance with s. 719.303. The regular election shall
17 occur on the date of the annual meeting. The provisions of
18 this subparagraph shall not apply to timeshare cooperatives.
19 Notwithstanding the provisions of this subparagraph, an
20 election and balloting are not required unless more candidates
21 file a notice of intent to run or are nominated than vacancies
22 exist on the board.

23 2. Any approval by unit owners called for by this
24 chapter, or the applicable cooperative documents, shall be
25 made at a duly noticed meeting of unit owners and shall be
26 subject to all requirements of this chapter or the applicable
27 cooperative documents relating to unit owner decisionmaking,
28 except that unit owners may take action by written agreement,
29 without meetings, on matters for which action by written
30 agreement without meetings is expressly allowed by the
31

1 applicable cooperative documents or any Florida statute which
2 provides for the unit owner action.

3 3. Unit owners may waive notice of specific meetings
4 if allowed by the applicable cooperative documents or any
5 Florida statute. Unit owners may consent to receiving notice
6 of board, committee, and membership meetings by electronic
7 transmission if the bylaws provide a method for giving notice
8 by electronic transmission.

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

14 5. Any unit owner may tape record or videotape
15 meetings of the unit owners subject to reasonable rules
16 adopted by the division.

17
18 Notwithstanding subparagraphs (b)2. and (d)1., an association
19 may, by the affirmative vote of a majority of the total voting
20 interests, provide for a different voting and election
21 procedure in its bylaws, which vote may be by a proxy
22 specifically delineating the different voting and election
23 procedures. The different voting and election procedures may
24 provide for elections to be conducted by limited or general
25 proxy.

26 (e) Budget procedures.--

27 1. The board of administration shall mail, ~~or~~ hand
28 deliver, or electronically transmit to each unit owner at the
29 address last furnished to the association, a meeting notice
30 and copies of the proposed annual budget of common expenses to
31 the unit owners not less than 14 days prior to the meeting at

1 which the budget will be considered. Evidence of compliance
2 with this 14-day notice must be made by an affidavit executed
3 by an officer of the association or the manager or other
4 person providing notice of the meeting and filed among the
5 official records of the association. The meeting must be open
6 to the unit owners.

7 2. If an adopted budget requires assessment against
8 the unit owners in any fiscal or calendar year which exceeds
9 115 percent of the assessments for the preceding year, the
10 board upon written application of 10 percent of the voting
11 interests to the board, shall call a special meeting of the
12 unit owners within 30 days, upon not less than 10 days'
13 written notice to each unit owner. At the special meeting,
14 unit owners shall consider and enact a budget. Unless the
15 bylaws require a larger vote, the adoption of the budget
16 requires a vote of not less than a majority of all the voting
17 interests.

18 3. The board of administration may, in any event,
19 propose a budget to the unit owners at a meeting of members or
20 by writing, and if the budget or proposed budget is approved
21 by the unit owners at the meeting or by a majority of all
22 voting interests in writing, the budget is adopted. If a
23 meeting of the unit owners has been called and a quorum is not
24 attained or a substitute budget is not adopted by the unit
25 owners, the budget adopted by the board of directors goes into
26 effect as scheduled.

27 4. In determining whether assessments exceed 115
28 percent of similar assessments for prior years, any authorized
29 provisions for reasonable reserves for repair or replacement
30 of cooperative property, anticipated expenses by the
31 association which are not anticipated to be incurred on a

1 regular or annual basis, or assessments for betterments to the
2 cooperative property must be excluded from computation.
3 However, as long as the developer is in control of the board
4 of administration, the board may not impose an assessment for
5 any year greater than 115 percent of the prior fiscal or
6 calendar year's assessment without approval of a majority of
7 all voting interests.

8 (f) Recall of board members.--Subject to the
9 provisions of s. 719.301, any member of the board of
10 administration may be recalled and removed from office with or
11 without cause by the vote or agreement in writing by a
12 majority of all the voting interests. A special meeting of the
13 voting interests to recall any member of the board of
14 administration may be called by 10 percent of the unit owners
15 giving notice of the meeting as required for a meeting of unit
16 owners, and the notice shall state the purpose of the meeting.
17 Electronic transmission may not be used as a method of giving
18 notice of a meeting called in whole or in part for this
19 purpose.

20 1. If the recall is approved by a majority of all
21 voting interests by a vote at a meeting, the recall shall be
22 effective as provided herein. The board shall duly notice and
23 hold a board meeting within 5 full business days of the
24 adjournment of the unit owner meeting to recall one or more
25 board members. At the meeting, the board shall either certify
26 the recall, in which case such member or members shall be
27 recalled effective immediately and shall turn over to the
28 board within 5 full business days any and all records and
29 property of the association in their possession, or shall
30 proceed as set forth in subparagraph 3.

31

1 2. If the proposed recall is by an agreement in
2 writing by a majority of all voting interests, the agreement
3 in writing or a copy thereof shall be served on the
4 association by certified mail or by personal service in the
5 manner authorized by chapter 48 and the Florida Rules of Civil
6 Procedure. The board of administration shall duly notice and
7 hold a meeting of the board within 5 full business days after
8 receipt of the agreement in writing. At the meeting, the board
9 shall either certify the written agreement to recall members
10 of the board, in which case such members shall be recalled
11 effective immediately and shall turn over to the board, within
12 5 full business days, any and all records and property of the
13 association in their possession, or proceed as described in
14 subparagraph 3.

15 3. If the board determines not to certify the written
16 agreement to recall members of the board, or does not certify
17 the recall by a vote at a meeting, the board shall, within 5
18 full business days after the board meeting, file with the
19 division a petition for binding arbitration pursuant to the
20 procedures of s. 719.1255. For purposes of this paragraph, the
21 unit owners who voted at the meeting or who executed the
22 agreement in writing shall constitute one party under the
23 petition for arbitration. If the arbitrator certifies the
24 recall as to any member of the board, the recall shall be
25 effective upon mailing of the final order of arbitration to
26 the association. If the association fails to comply with the
27 order of the arbitrator, the division may take action pursuant
28 to s. 719.501. Any member so recalled shall deliver to the
29 board any and all records and property of the association in
30 the member's possession within 5 full business days of the
31 effective date of the recall.

1 4. If the board fails to duly notice and hold a board
2 meeting within 5 full business days of service of an agreement
3 in writing or within 5 full business days of the adjournment
4 of the unit owner recall meeting, the recall shall be deemed
5 effective and the board members so recalled shall immediately
6 turn over to the board any and all records and property of the
7 association.

8 5. If a vacancy occurs on the board as a result of a
9 recall and less than a majority of the board members are
10 removed, the vacancy may be filled by the affirmative vote of
11 a majority of the remaining directors, notwithstanding any
12 provision to the contrary contained in this chapter. If
13 vacancies occur on the board as a result of a recall and a
14 majority or more of the board members are removed, the
15 vacancies shall be filled in accordance with procedural rules
16 to be adopted by the division, which rules need not be
17 consistent with this chapter. The rules must provide
18 procedures governing the conduct of the recall election as
19 well as the operation of the association during the period
20 after a recall but prior to the recall election.

21 (2) OPTIONAL PROVISIONS.--The bylaws may provide for
22 the following:

23 (a) Administrative rules.--A method of adopting and of
24 amending administrative rules and regulations governing the
25 details of the operation and use of the common areas.

26 (b) Use and maintenance restrictions.--Restrictions
27 on, and requirements for, the use, maintenance, and appearance
28 of the units and the use of the common areas, not inconsistent
29 with the cooperative documents, designed to prevent
30 unreasonable interference with the use of the units and common
31 areas.

1 (c) Notice of meetings.--Provisions for giving notice
2 by electronic transmissions in a manner authorized by law of
3 meetings of the board of directors and committees and of
4 annual and special meetings of the members.

5 (d)~~(c)~~ Other matters.--Other provisions not
6 inconsistent with this chapter or with the cooperative
7 documents as may be desired.

8 Section 8. Subsection (6) of section 719.108, Florida
9 Statutes, is amended to read:

10 719.108 Rents and assessments; liability; lien and
11 priority; interest; collection; cooperative ownership.--

12 (6) Within 15 days after request by a unit owner or
13 mortgagee, the association shall provide a certificate stating
14 all assessments and other moneys owed to the association by
15 the unit owner with respect to the cooperative parcel. Any
16 person other than the unit owner who relies upon such
17 certificate shall be protected thereby. Notwithstanding any
18 limitation on transfer fees contained in s. 719.106(1)(i), the
19 association or its authorized agent may charge a reasonable
20 fee for the preparation of the certificate.

21 Section 9. Subsection (1) of section 720.302, Florida
22 Statutes, is amended, and subsection (5) is added to that
23 section to read:

24 720.302 Purposes, scope, and application.--

25 (1) The purposes of ss. 720.301-720.312 are to give
26 statutory recognition to corporations not for profit that
27 operate residential communities in this state, to provide
28 procedures for operating homeowners' associations, and to
29 protect the rights of association members without unduly
30 impairing the ability of such associations to perform their
31 functions.

1 (5) Unless expressly stated to the contrary,
2 corporations not for profit that operate residential
3 homeowners' associations in this state shall be governed by
4 and subject to chapter 617. This subsection is intended to
5 clarify existing law.

6 Section 10. Subsection (2) and paragraph (g) of
7 subsection (4) of section 720.303, Florida Statutes, are
8 amended to read:

9 720.303 Association powers and duties; meetings of
10 board; official records; budgets; financial reporting.--

11 (2) BOARD MEETINGS.--A meeting of the board of
12 directors of an association occurs whenever a quorum of the
13 board gathers to conduct association business. All meetings
14 of the board must be open to all members except for meetings
15 between the board and its attorney with respect to proposed or
16 pending litigation where the contents of the discussion would
17 otherwise be governed by the attorney-client privilege.
18 Notices of all board meetings must be posted in a conspicuous
19 place in the community at least 48 hours in advance of a
20 meeting, except in an emergency. In the alternative, if
21 notice is not posted in a conspicuous place in the community,
22 notice of each board meeting must be mailed or delivered to
23 each member at least 7 days before the meeting, except in an
24 emergency. Notwithstanding this general notice requirement,
25 for communities with more than 100 members, the bylaws may
26 provide for a reasonable alternative to posting or mailing of
27 notice for each board meeting, including publication of
28 notice, or provision of a schedule of board meetings, or the
29 conspicuous posting and repeated broadcasting of the notice on
30 a closed-circuit cable television system serving the
31 homeowners association. However, if broadcast notice is used

1 in lieu of a notice posted physically in the community, the
2 notice must be broadcast at least four times every broadcast
3 hour of each day that a posted notice is otherwise required.
4 When broadcast notice is provided, the notice and agenda must
5 be broadcast in a manner and for a sufficient continuous
6 length of time so as to allow an average reader to observe the
7 notice and read and comprehend the entire content of the
8 notice and the agenda. The bylaws or amended bylaws may
9 provide for giving notice by electronic transmission in a
10 manner authorized by law for meetings of the board of
11 directors, committee meetings requiring notice under this
12 section, and annual and special meetings of the members;
13 however, a member must consent in writing to receiving notice
14 by electronic transmission. An assessment may not be levied
15 at a board meeting unless the notice of the meeting includes a
16 statement that assessments will be considered and the nature
17 of the assessments. Directors may not vote by proxy or by
18 secret ballot at board meetings, except that secret ballots
19 may be used in the election of officers. This subsection also
20 applies to the meetings of any committee or other similar
21 body, when a final decision will be made regarding the
22 expenditure of association funds, and to any body vested with
23 the power to approve or disapprove architectural decisions
24 with respect to a specific parcel of residential property
25 owned by a member of the community.

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

29 (g) A current roster of all members and their postal
30 and electronic mailing addresses and parcel identifications.
31 Upon the request of a member in writing, the electronic mail

1 address and the number designated by the member for receiving
2 electronic transmission of notices shall not be included in
3 the official records of the association. However, the
4 association is not liable for an erroneous disclosure of the
5 electronic mail address or the number for receiving electronic
6 transmission of notices.

7 Section 11. This act shall take effect upon becoming a
8 law.

9
10 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
11 COMMITTEE SUBSTITUTE FOR
12 Senate Bill 592

13 The committee substitute authorizes condominium associations
14 and cooperative associations to charge a reasonable fee for
15 issuing a certificate detailing the status of assessments
16 against a condominium or cooperative unit.
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