

By Senator Fasano

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1 A bill to be entitled
2 An act relating to condominium associations; creating
3 s. 627.714, F.S.; requiring that condominium unit
4 owners' policies issued on or after a specified date
5 include a specified minimum amount of loss-assessment
6 coverage; providing requirements for such coverage;
7 amending s. 718.111, F.S.; providing guidelines for
8 property insurance coverage obtained by specified
9 types of associations; authorizing an association to
10 obtain certain other types of coverage; providing
11 requirements regarding notice of board meetings
12 conducted for the purpose of establishing the amounts
13 of certain deductibles; providing that insurance for
14 property excluded from the list of items required to
15 be covered under a property policy is the
16 responsibility of a unit owner; requiring that certain
17 policies issued on or after a specified date conform
18 to specified requirements of state law; requiring that
19 certain policies include loss-assessment coverage;
20 specifying a minimum amount for such coverage;
21 deleting provisions relating to the responsibility to
22 provide property insurance for certain improvements or
23 additions; requiring that an association require unit
24 owners to provide evidence of a currently effective
25 personal liability policy; limiting the number of
26 times an association may enforce such requirement;
27 specifying a minimum amount for such coverage;
28 requiring that such coverage contain certain
29 provisions; deleting a provision requiring that an

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30 association be an additional named insured and loss
31 payee on all casualty policies issued to unit owners
32 in a condominium operated by an association; providing
33 conditions under which a unit owner is responsible for
34 costs of replacement or repair of portions of
35 condominium property not paid by insurance proceeds;
36 providing penalties for any person who knowingly or
37 intentionally defaces or destroys certain records of
38 an association with the intent to harm the association
39 or any of its members; providing that an association
40 is not responsible for the use or misuse of certain
41 information obtained pursuant to state law requiring
42 the maintenance of certain records of an association;
43 providing that, notwithstanding the other
44 requirements, certain records are not accessible to
45 unit owners; requiring that any rules adopted for the
46 purpose of setting forth accounting principles or
47 addressing financial reporting requirements include
48 certain provisions and standards; amending s. 718.112,
49 F.S.; providing that the board of administration of an
50 association has no obligation to take action with
51 regard to certain items on its agenda; providing for
52 the expiration of the terms of members of the board of
53 administration if no provisions in that regard exist
54 in the bylaws; authorizing the reappointment of
55 members under certain conditions; prohibiting coowners
56 or cooccupants from simultaneously serving as members
57 of the board of certain associations; providing an
58 exception; deleting a provision requiring an

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59 association to mail a certification containing certain
60 provisions to unit owners before an election of board
61 members; requiring that any unit owner desiring to be
62 a candidate for election as a member of the board give
63 written notice; requiring that such notice contain
64 certain attestations; requiring that such notice be
65 signed and acknowledged by the candidate on or before
66 a specified deadline; requiring that certain expenses
67 be detailed in an association's annual budget;
68 providing that a director or officer delinquent in the
69 payment of regular or special assessments by more than
70 a specified number of days is deemed to have abandoned
71 the office; requiring that a director charged by
72 information or indictment of certain offenses
73 involving an association's funds or property be
74 removed from office; amending s. 718.115, F.S.;

75 requiring that broadband or Internet service obtained
76 pursuant to a bulk contract as provided in the
77 declaration be deemed a common expense; conforming a
78 cross-reference; amending s. 718.116, F.S.; limiting
79 the liability for certain unpaid assessments of
80 certain entities acquiring title to a unit by
81 foreclosure or deed in lieu of foreclosure; providing
82 that the failure of such an entity to pay such unpaid
83 assessments within a specified period after acquiring
84 title entitles the association to recover all
85 outstanding special and regular assessments that were
86 due before the acquisition of title; expanding the
87 definition of "successor or assignee" to include

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88 certain affiliates or subsidiaries; prohibiting an
89 association from filing a lien against a condominium
90 unit for a specified period after notice of intent to
91 file such lien is delivered to the owner; providing
92 means for completion of such delivery; repealing s.
93 718.121(4), F.S., relating to the filing of liens by
94 an association against a condominium unit; amending s.
95 720.304, F.S.; providing that a flagpole and any
96 flagpole display is subject to certain codes and
97 regulations; amending s. 721.16, F.S., relating to
98 liens for overdue assessments; conforming a cross-
99 reference; repealing s. 553.509(2), F.S., relating to
100 public elevators and emergency operation plans in
101 certain condominiums and multifamily dwellings;
102 providing an effective date.

103
104 Be It Enacted by the Legislature of the State of Florida:

105
106 Section 1. Section 627.714, Florida Statutes, is created to
107 read:

108 627.714 Condominium unit owner's coverage; loss-assessment
109 coverage required.—For policies issued or renewed on or after
110 October 1, 2009, coverage under a condominium unit owner's
111 policy shall include loss-assessment coverage of at least
112 \$2,000. Such loss-assessment coverage shall cover the unit
113 owner's share of the master policy deductible and the unit
114 owner's share of an assessment against all condominium unit
115 owners by the association, up to the limit of liability in
116 effect at the time of the loss that results in the assessment.

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117 At a minimum, the loss-assessment coverage must cover
118 assessments for a loss to property for a peril insured by the
119 association.

120 Section 2. Paragraphs (a), (b), (c), (d), (e), (f), (g),
121 and (j) of subsection (11), paragraphs (a), (b), and (c) of
122 subsection (12), and subsection (13) of section 718.111, Florida
123 Statutes, are amended to read:

124 718.111 The association.—

125 (11) INSURANCE.—In order to protect the safety, health, and
126 welfare of the people of the State of Florida and to ensure
127 consistency in the provision of insurance coverage to
128 condominiums and their unit owners, this subsection applies to
129 every residential condominium in the state, regardless of the
130 date of its declaration of condominium. It is the intent of the
131 Legislature to encourage lower or stable insurance premiums for
132 associations described in this subsection.

133 (a) Adequate property ~~hazard~~ insurance, regardless of any
134 requirement in the declaration of condominium for coverage by
135 the association for full insurable value, replacement cost, or
136 similar coverage, shall be based upon the replacement cost of
137 the property to be insured as determined by an independent
138 insurance appraisal or update of a prior appraisal. The full
139 insurable value shall be determined at least once every 36
140 months. The association may also obtain other coverage as
141 appropriate, including, but not limited to, liability insurance
142 for directors and officers, insurance for the benefit of
143 association employees, and flood insurance for common elements,
144 association property, and units.

145 1. An association or group of associations may provide

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146 adequate property ~~hazard~~ insurance through a self-insurance fund
147 that complies with the requirements of ss. 624.460-624.488.

148 2. The association may also provide adequate property
149 ~~hazard~~ insurance coverage for a group of no fewer than three
150 communities created and operating under this chapter, chapter
151 719, chapter 720, or chapter 721 by obtaining and maintaining
152 for such communities insurance coverage sufficient to cover an
153 amount equal to the probable maximum loss for the communities
154 for a 250-year windstorm event. Such probable maximum loss must
155 be determined through the use of a competent model that has been
156 accepted by the Florida Commission on Hurricane Loss Projection
157 Methodology. No policy or program providing such coverage shall
158 be issued or renewed after July 1, 2008, unless it has been
159 reviewed and approved by the Office of Insurance Regulation. The
160 review and approval shall include approval of the policy and
161 related forms pursuant to ss. 627.410 and 627.411, approval of
162 the rates pursuant to s. 627.062, a determination that the loss
163 model approved by the commission was accurately and
164 appropriately applied to the insured structures to determine the
165 250-year probable maximum loss, and a determination that
166 complete and accurate disclosure of all material provisions is
167 provided to condominium unit owners prior to execution of the
168 agreement by a condominium association.

169 3. When determining the adequate amount of property ~~hazard~~
170 insurance coverage, the association may consider deductibles as
171 determined by this subsection.

172 (b) If an association is a developer-controlled
173 association, the association shall exercise its best efforts to
174 obtain and maintain insurance as described in paragraph (a).

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175 Failure to obtain and maintain adequate property hazard
176 insurance during any period of developer control constitutes a
177 breach of fiduciary responsibility by the developer-appointed
178 members of the board of directors of the association, unless the
179 members can show that, despite such failure, they have made
180 their best efforts to maintain the required coverage.

181 (c) Policies may include deductibles as determined by the
182 board.

183 1. The deductibles shall be consistent with industry
184 standards and prevailing practice for communities of similar
185 size and age, and having similar construction and facilities in
186 the locale where the condominium property is situated.

187 2. The deductibles may be based upon prevailing industry
188 deductibles, available funds, including reserve accounts, or
189 predetermined assessment authority at the time the insurance is
190 obtained.

191 3. The board shall establish the amount of deductibles
192 based upon the level of available funds and predetermined
193 assessment authority at a meeting of the board. Such meeting
194 shall be open to all unit owners in the manner set forth in s.
195 718.112(2)(e). The notice of such meeting must state the
196 current, prevailing, or proposed deductible and the available
197 funds and the assessment authority relied upon by the board and
198 estimate any potential assessment amount against each unit, if
199 any. The meeting described in this paragraph may be held in
200 conjunction with a meeting to consider the proposed budget or an
201 amendment thereto.

202 (d) An association controlled by unit owners operating as a
203 residential condominium shall use its best efforts to obtain and

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204 maintain adequate insurance to protect the association, the
205 association property, the common elements, and the condominium
206 property that is required to be insured by the association
207 pursuant to this subsection. Such insurance shall include
208 property insurance, which must insure, at a minimum, loss due to
209 the perils of fire, lightning, windstorm, and hail.

210 (e) The declaration of condominium, as originally recorded,
211 or as amended pursuant to procedures provided therein, may
212 provide that condominium property consisting of freestanding
213 buildings comprised of no more than one building in or on such
214 unit need not be insured by the association if the declaration
215 requires the unit owner to obtain adequate insurance for the
216 condominium property. ~~An association may also obtain and~~
217 ~~maintain liability insurance for directors and officers,~~
218 ~~insurance for the benefit of association employees, and flood~~
219 ~~insurance for common elements, association property, and units.~~

220 (f) Every property hazard insurance policy issued or
221 renewed on or after January 1, 2009, for the purpose of
222 protecting the condominium shall provide primary coverage for:

223 1. All portions of the condominium property as originally
224 installed or replacement of like kind and quality, in accordance
225 with the original plans and specifications.

226 2. All alterations or additions made to the condominium
227 property or association property pursuant to s. 718.113(2).

228 3. The coverage shall exclude all personal property within
229 the unit or limited common elements, and floor, wall, and
230 ceiling coverings, electrical fixtures, appliances, water
231 heaters, water filters, built-in cabinets and countertops, and
232 window treatments, including curtains, drapes, blinds, hardware,

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233 and similar window treatment components, or replacements of any
234 of the foregoing. Such property and any insurance thereupon is
235 the responsibility of the unit owner.

236 (g) A condominium unit owner's policy issued after October
237 1, 2009, shall conform to the requirements of s. 627.714. Every
238 hazard insurance policy issued or renewed on or after January 1,
239 2009, to an individual unit owner must contain a provision
240 stating that the coverage afforded by such policy is excess
241 coverage over the amount recoverable under any other policy
242 covering the same property. Such policies must include loss-
243 assessment ~~special assessment~~ coverage of no less than \$2,000
244 per occurrence without a deductible. An insurance policy issued
245 to an individual unit owner providing such coverage does not
246 provide rights of subrogation against the condominium
247 association operating the condominium in which such individual's
248 unit is located.

249 ~~1. All improvements or additions to the condominium~~
250 ~~property that benefit fewer than all unit owners shall be~~
251 ~~insured by the unit owner or owners having the use thereof, or~~
252 ~~may be insured by the association at the cost and expense of the~~
253 ~~unit owners having the use thereof.~~

254 1.2. The association shall require each owner to provide
255 evidence of a currently effective policy of personal hazard and
256 liability insurance upon request, but not more than once per
257 year. Such insurance must provide limits of no less than
258 \$300,000 per occurrence, and shall insure the unit owner for
259 losses to others resulting from conditions and occurrences
260 within the unit or the limited common elements without regard to
261 fault. Upon the failure of an owner to provide a certificate of

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262 insurance issued by an insurer approved to write such insurance
263 in this state within 30 days after the date on which a written
264 request is delivered, the association may purchase a policy of
265 insurance on behalf of an owner. The cost of such a policy,
266 together with reconstruction costs undertaken by the association
267 but which are the responsibility of the unit owner, may be
268 collected in the manner provided for the collection of
269 assessments in s. 718.116.

270 2.3. All reconstruction work after a casualty loss shall be
271 undertaken by the association except as otherwise authorized in
272 this section. A unit owner may undertake reconstruction work on
273 portions of the unit with the prior written consent of the board
274 of administration. However, such work may be conditioned upon
275 the approval of the repair methods, the qualifications of the
276 proposed contractor, or the contract that is used for that
277 purpose. A unit owner shall obtain all required governmental
278 permits and approvals prior to commencing reconstruction.

279 3.4. Unit owners are responsible for the cost of
280 reconstruction of any portions of the condominium property for
281 which the unit owner is required to carry casualty insurance,
282 and any such reconstruction work undertaken by the association
283 shall be chargeable to the unit owner and enforceable as an
284 assessment pursuant to s. 718.116. ~~The association must be an~~
285 ~~additional named insured and loss payee on all casualty~~
286 ~~insurance policies issued to unit owners in the condominium~~
287 ~~operated by the association.~~

288 4.5. A multicondominium association may elect, by a
289 majority vote of the collective members of the condominiums
290 operated by the association, to operate such condominiums as a

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291 single condominium for purposes of insurance matters, including,
292 but not limited to, the purchase of the property hazard ~~hazard~~
293 insurance required by this section and the apportionment of
294 deductibles and damages in excess of coverage. The election to
295 aggregate the treatment of insurance premiums, deductibles, and
296 excess damages constitutes an amendment to the declaration of
297 all condominiums operated by the association, and the costs of
298 insurance shall be stated in the association budget. The
299 amendments shall be recorded as required by s. 718.110.

300 (j) Any portion of the condominium property required to be
301 insured by the association against casualty loss pursuant to
302 paragraph (f) which is damaged by casualty shall be
303 reconstructed, repaired, or replaced as necessary by the
304 association as a common expense. All property hazard ~~hazard~~ insurance
305 deductibles, uninsured losses, and other damages in excess of
306 property hazard ~~hazard~~ insurance coverage under the property hazard ~~hazard~~
307 insurance policies maintained by the association are a common
308 expense of the condominium, except that:

309 1. A unit owner is responsible for the costs of repair or
310 replacement of any portion of the condominium property not paid
311 by insurance proceeds, if such damage is caused by conditions
312 and occurrences within the unit or the limited common elements
313 without regard to fault ~~intentional conduct, negligence, or~~
314 failure to comply with the terms of the declaration or the rules
315 of the association, or by a unit owner, the members of a unit
316 owner's ~~his or her~~ family, unit occupants, tenants, guests, or
317 invitees, without compromise of the subrogation rights of any
318 insurer as set forth in paragraph (g).

319 2. The provisions of subparagraph 1. regarding the

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320 financial responsibility of a unit owner for the costs of
321 repairing or replacing other portions of the condominium
322 property also apply to the costs of repair or replacement of
323 personal property of other unit owners or the association, as
324 well as other property, whether real or personal, which the unit
325 owners are required to insure under paragraph (g).

326 3. To the extent the cost of repair or reconstruction for
327 which the unit owner is responsible under this paragraph is
328 reimbursed to the association by insurance proceeds, and, to the
329 extent the association has collected the cost of such repair or
330 reconstruction from the unit owner, the association shall
331 reimburse the unit owner without the waiver of any rights of
332 subrogation.

333 4. The association is not obligated to pay for repair or
334 reconstruction or repairs of casualty losses as a common expense
335 if the casualty losses were known or should have been known to a
336 unit owner and were not reported to the association until after
337 the insurance claim of the association for that casualty was
338 settled or resolved with finality, or denied on the basis that
339 it was untimely filed.

340 (12) OFFICIAL RECORDS.—

341 (a) From the inception of the association, the association
342 shall maintain each of the following items, when applicable,
343 which shall constitute the official records of the association:

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

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

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349 3. A photocopy of the recorded bylaws of the association
350 and of each amendment to the bylaws.

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

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

355 6. A book or books which contain the minutes of all
356 meetings of the association, of the board of administration, and
357 of unit owners, which minutes shall be retained for a period of
358 not less than 7 years.

359 7. A current roster of all unit owners and their mailing
360 addresses, unit identifications, voting certifications, and, if
361 known, telephone numbers. The association shall also maintain
362 the electronic mailing addresses and the numbers designated by
363 unit owners for receiving notice sent by electronic transmission
364 of those unit owners consenting to receive notice by electronic
365 transmission. The electronic mailing addresses and numbers
366 provided by unit owners to receive notice by electronic
367 transmission shall be removed from association records when
368 consent to receive notice by electronic transmission is revoked.
369 However, the association is not liable for an erroneous
370 disclosure of the electronic mail address or the number for
371 receiving electronic transmission of notices.

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

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

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

380 11. Accounting records for the association and separate
381 accounting records for each condominium which the association
382 operates. All accounting records shall be maintained for a
383 period of not less than 7 years. Any person who knowingly or
384 intentionally defaces or destroys accounting records required to
385 be created and maintained by this chapter during the period for
386 which such records are required to be maintained pursuant to
387 this chapter, or who knowingly or intentionally fails to create
388 or maintain accounting records required to be maintained by this
389 chapter, with the intent of causing harm to the association or
390 one or more of its members, is personally subject to a civil
391 penalty pursuant to s. 718.501(1)(d). The accounting records
392 shall include, but are not limited to:

393 a. Accurate, itemized, and detailed records of all receipts
394 and expenditures.

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

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

401 d. All contracts for work to be performed. Bids for work to
402 be performed shall also be considered official records and shall
403 be maintained by the association.

404 12. Ballots, sign-in sheets, voting proxies, and all other
405 papers relating to voting by unit owners, which shall be
406 maintained for a period of 1 year from the date of the election,

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407 vote, or meeting to which the document relates, notwithstanding
408 paragraph (b).

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

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

413 15. All other records of the association not specifically
414 included in the foregoing which are related to the operation of
415 the association.

416 16. A copy of the inspection report as provided for in s.
417 718.301(4)(p).

418 (b) The official records of the association shall be
419 maintained within the state for at least 7 years. The records of
420 the association shall be made available to a unit owner within
421 45 miles of the condominium property or within the county in
422 which the condominium property is located within 5 working days
423 after receipt of written request by the board or its designee.
424 However, such distance requirement does not apply to an
425 association governing a timeshare condominium. This paragraph
426 may be complied with by having a copy of the official records of
427 the association available for inspection or copying on the
428 condominium property or association property, or the association
429 may offer the option of making the records of the association
430 available to a unit owner either electronically via the Internet
431 or by allowing the records to be viewed in electronic format on
432 a computer screen and printed upon request. The association is
433 not responsible for the use or misuse of the information
434 provided pursuant to the compliance requirements of this
435 chapter.

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436 (c) The official records of the association are open to
437 inspection by any association member or the authorized
438 representative of such member at all reasonable times. The right
439 to inspect the records includes the right to make or obtain
440 copies, at the reasonable expense, if any, of the association
441 member. The association may adopt reasonable rules regarding the
442 frequency, time, location, notice, and manner of record
443 inspections and copying. The failure of an association to
444 provide the records within 10 working days after receipt of a
445 written request shall create a rebuttable presumption that the
446 association willfully failed to comply with this paragraph. A
447 unit owner who is denied access to official records is entitled
448 to the actual damages or minimum damages for the association's
449 willful failure to comply with this paragraph. The minimum
450 damages shall be \$50 per calendar day up to 10 days, the
451 calculation to begin on the 11th working day after receipt of
452 the written request. The failure to permit inspection of the
453 association records as provided herein entitles any person
454 prevailing in an enforcement action to recover reasonable
455 attorney's fees from the person in control of the records who,
456 directly or indirectly, knowingly denied access to the records
457 for inspection. Any person who knowingly or intentionally
458 defaces or destroys accounting records that are required by this
459 chapter to be created and maintained, during the period for
460 which such records are required to be maintained pursuant to
461 this chapter, or who knowingly or intentionally fails to create
462 or maintain accounting records that are required to be
463 maintained by this chapter, with the intent of causing harm to
464 the association or one or more of its members, is personally

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465 subject to a civil penalty pursuant to s. 718.501(1)(d). The
466 association shall maintain an adequate number of copies of the
467 declaration, articles of incorporation, bylaws, and rules, and
468 all amendments to each of the foregoing, as well as the question
469 and answer sheet provided for in s. 718.504 and year-end
470 financial information required in this section, on the
471 condominium property to ensure their availability to unit owners
472 and prospective purchasers, and may charge its actual costs for
473 preparing and furnishing these documents to those requesting the
474 documents ~~same~~. Notwithstanding the provisions of this
475 paragraph, the following records shall not be accessible to unit
476 owners:

477 1. Any record protected by the lawyer-client privilege as
478 described in s. 90.502; and any record protected by the work-
479 product privilege, including any record prepared by an
480 association attorney or prepared at the attorney's express
481 direction; which reflects a mental impression, conclusion,
482 litigation strategy, or legal theory of the attorney or the
483 association, and which was prepared exclusively for civil or
484 criminal litigation or for adversarial administrative
485 proceedings, or which was prepared in anticipation of imminent
486 civil or criminal litigation or imminent adversarial
487 administrative proceedings until the conclusion of the
488 litigation or adversarial administrative proceedings.

489 2. Information obtained by an association in connection
490 with the approval of the lease, sale, or other transfer of a
491 unit.

492 3. Disciplinary, health, insurance, and personnel records
493 of the association's employees.

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494 ~~4.3.~~ Medical records of unit owners.

495 ~~5.4.~~ Social security numbers, driver's license numbers,
496 credit card numbers, and other personal identifying information
497 of any person, excluding the person's name, lot or unit
498 designation, mailing address, property address, and other
499 contact information.

500 6. Any electronic security measure that is used by the
501 association to safeguard data, including passwords.

502 7. The functionality included within software used by the
503 association which allows manipulation of data is not a part of
504 the official records of the association, even if the owner owns
505 a copy of the same software used by the association.

506 (13) FINANCIAL REPORTING.—Within 90 days after the end of
507 the fiscal year, or annually on a date provided in the bylaws,
508 the association shall prepare and complete, or contract for the
509 preparation and completion of, a financial report for the
510 preceding fiscal year. Within 21 days after the final financial
511 report is completed by the association or received from the
512 third party, but not later than 120 days after the end of the
513 fiscal year or other date as provided in the bylaws, the
514 association shall mail to each unit owner at the address last
515 furnished to the association by the unit owner, or hand deliver
516 to each unit owner, a copy of the financial report or a notice
517 that a copy of the financial report will be mailed or hand
518 delivered to the unit owner, without charge, upon receipt of a
519 written request from the unit owner. The division shall adopt
520 rules setting forth uniform accounting principles and standards
521 to be used by all associations and shall adopt rules addressing
522 financial reporting requirements for multicondominium

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523 associations. The rules shall include, but not be limited to,
524 standards for presenting a summary of association reserves,
525 including, but not limited to, a good faith estimate disclosing
526 the annual amount of reserve funds that would be necessary for
527 the association to fully fund reserves for each reserve item
528 based upon on the straight-line method. This disclosure is not
529 applicable to reserves funded via the pooling method ~~uniform~~
530 ~~accounting principles and standards for stating the disclosure~~
531 ~~of at least a summary of the reserves, including information as~~
532 ~~to whether such reserves are being funded at a level sufficient~~
533 ~~to prevent the need for a special assessment and, if not, the~~
534 ~~amount of assessments necessary to bring the reserves up to the~~
535 ~~level necessary to avoid a special assessment. The person~~
536 ~~preparing the financial reports shall be entitled to rely on an~~
537 ~~inspection report prepared for or provided to the association to~~
538 ~~meet the fiscal and fiduciary standards of this chapter. In~~
539 adopting such rules, the division shall consider the number of
540 members and annual revenues of an association. Financial reports
541 shall be prepared as follows:

542 (a) An association that meets the criteria of this
543 paragraph shall prepare or cause to be prepared a complete set
544 of financial statements in accordance with generally accepted
545 accounting principles. The financial statements shall be based
546 upon the association's total annual revenues, as follows:

547 1. An association with total annual revenues of \$100,000 or
548 more, but less than \$200,000, shall prepare compiled financial
549 statements.

550 2. An association with total annual revenues of at least
551 \$200,000, but less than \$400,000, shall prepare reviewed

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552 financial statements.

553 3. An association with total annual revenues of \$400,000 or
554 more shall prepare audited financial statements.

555 (b)1. An association with total annual revenues of less
556 than \$100,000 shall prepare a report of cash receipts and
557 expenditures.

558 2. An association that ~~which~~ operates fewer ~~less~~ than 50
559 units, regardless of the association's annual revenues, shall
560 prepare a report of cash receipts and expenditures in lieu of
561 financial statements required by paragraph (a).

562 3. A report of cash receipts and disbursements must
563 disclose the amount of receipts by accounts and receipt
564 classifications and the amount of expenses by accounts and
565 expense classifications, including, but not limited to, the
566 following, as applicable: costs for security, professional and
567 management fees and expenses, taxes, costs for recreation
568 facilities, expenses for refuse collection and utility services,
569 expenses for lawn care, costs for building maintenance and
570 repair, insurance costs, administration and salary expenses, and
571 reserves accumulated and expended for capital expenditures,
572 deferred maintenance, and any other category for which the
573 association maintains reserves.

574 (c) An association may prepare or cause to be prepared,
575 without a meeting of or approval by the unit owners:

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

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

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581 statements; or

582 3. Audited financial statements if the association is
583 required to prepare reviewed financial statements.

584 (d) If approved by a majority of the voting interests
585 present at a properly called meeting of the association, an
586 association may prepare or cause to be prepared:

587 1. A report of cash receipts and expenditures in lieu of a
588 compiled, reviewed, or audited financial statement;

589 2. A report of cash receipts and expenditures or a compiled
590 financial statement in lieu of a reviewed or audited financial
591 statement; or

592 3. A report of cash receipts and expenditures, a compiled
593 financial statement, or a reviewed financial statement in lieu
594 of an audited financial statement.

595

596 Such meeting and approval must occur before ~~prior to~~ the end of
597 the fiscal year and is effective ~~only~~ for the fiscal year in
598 which the vote is taken, except that the approval also may be
599 effective for the following fiscal year if agreed upon by the
600 members. With respect to an association to which the developer
601 has not turned over control of the association, all unit owners,
602 including the developer, may vote on issues related to the
603 preparation of financial reports for the first 2 fiscal years of
604 the association's operation, beginning with the fiscal year in
605 which the declaration is recorded. Thereafter, all unit owners
606 except the developer may vote on such issues until control is
607 turned over to the association by the developer. Any audit or
608 review prepared under this section shall be paid for by the
609 developer if done prior to turnover of control of the

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610 association. An association may not waive the financial
611 reporting requirements of this section for more than 3
612 consecutive years.

613 Section 3. Paragraphs (c), (d), (f), (n), and (o) of
614 subsection (2) of section 718.112, Florida Statutes, are amended
615 to read:

616 718.112 Bylaws.—

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

620 (c) *Board of administration meetings.*—Meetings of the board
621 of administration at which a quorum of the members is present
622 shall be open to all unit owners. Any unit owner may tape record
623 or videotape meetings of the board of administration. The right
624 to attend such meetings includes the right to speak at such
625 meetings with reference to all designated agenda items. The
626 division shall adopt reasonable rules governing the tape
627 recording and videotaping of the meeting. The association may
628 adopt written reasonable rules governing the frequency,
629 duration, and manner of unit owner statements. Adequate notice
630 of all meetings, which notice shall specifically incorporate an
631 identification of agenda items, shall be posted conspicuously on
632 the condominium property at least 48 continuous hours preceding
633 the meeting except in an emergency. If 20 percent of the voting
634 interests petition the board to address an item of business, the
635 board shall at its next regular board meeting or at a special
636 meeting of the board, but not later than 60 days after the
637 receipt of the petition, place the item on the agenda. However,
638 the board shall have no obligation to take any action on the

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639 item. Any item not included on the notice may be taken up on an
640 emergency basis by at least a majority plus one of the members
641 of the board. Such emergency action shall be noticed and
642 ratified at the next regular meeting of the board. However,
643 written notice of any meeting at which nonemergency special
644 assessments, or at which amendment to rules regarding unit use,
645 will be considered shall be mailed, delivered, or electronically
646 transmitted to the unit owners and posted conspicuously on the
647 condominium property not less than 14 days prior to the meeting.
648 Evidence of compliance with this 14-day notice shall be made by
649 an affidavit executed by the person providing the notice and
650 filed among the official records of the association. Upon notice
651 to the unit owners, the board shall by duly adopted rule
652 designate a specific location on the condominium property or
653 association property upon which all notices of board meetings
654 shall be posted. If there is no condominium property or
655 association property upon which notices can be posted, notices
656 of board meetings shall be mailed, delivered, or electronically
657 transmitted at least 14 days before the meeting to the owner of
658 each unit. In lieu of or in addition to the physical posting of
659 notice of any meeting of the board of administration on the
660 condominium property, the association may, by reasonable rule,
661 adopt a procedure for conspicuously posting and repeatedly
662 broadcasting the notice and the agenda on a closed-circuit cable
663 television system serving the condominium association. However,
664 if broadcast notice is used in lieu of a notice posted
665 physically on the condominium property, the notice and agenda
666 must be broadcast at least four times every broadcast hour of
667 each day that a posted notice is otherwise required under this

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668 section. When broadcast notice is provided, the notice and
669 agenda must be broadcast in a manner and for a sufficient
670 continuous length of time so as to allow an average reader to
671 observe the notice and read and comprehend the entire content of
672 the notice and the agenda. Notice of any meeting in which
673 regular or special assessments against unit owners are to be
674 considered for any reason shall specifically state that
675 assessments will be considered and the nature, estimated cost,
676 and description of the purposes for such assessments. Meetings
677 of a committee to take final action on behalf of the board or
678 make recommendations to the board regarding the association
679 budget are subject to the provisions of this paragraph. Meetings
680 of a committee that does not take final action on behalf of the
681 board or make recommendations to the board regarding the
682 association budget are subject to the provisions of this
683 section, unless those meetings are exempted from this section by
684 the bylaws of the association. Notwithstanding any other law,
685 the requirement that board meetings and committee meetings be
686 open to ~~the~~ unit owners is inapplicable to meetings between the
687 board or a committee and the association's attorney, with
688 respect to proposed or pending litigation, when the meeting is
689 held for the purpose of seeking or rendering legal advice.

690 (d) *Unit owner meetings.*—

691 1. There shall be an annual meeting of the unit owners held
692 at the location provided in the association bylaws and, if the
693 bylaws are silent as to the location, the meeting shall be held
694 within 45 miles of the condominium property. However, such
695 distance requirement does not apply to an association governing
696 a timeshare condominium. Unless the bylaws provide otherwise, a

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697 vacancy on the board caused by the expiration of a director's
698 term shall be filled by electing a new board member, and the
699 election shall be by secret ballot; however, if the number of
700 vacancies equals or exceeds the number of candidates, no
701 election is required. The terms of all members of the board
702 shall expire at the annual meeting and such board members may
703 stand for reelection unless otherwise permitted by the bylaws.
704 If ~~In the event that~~ the bylaws permit staggered terms of no
705 more than 2 years and upon approval of a majority of the total
706 voting interests, the association board members may serve 2-year
707 staggered terms. If there is no provision in the bylaws for
708 terms of the members of the board, the terms of all members of
709 the board shall expire upon the election of their successors at
710 the annual meeting or at a special meeting called for that
711 purpose and such board members may stand for reelection unless
712 otherwise provided in the bylaws. If the number of vacancies
713 exceeds the number of candidates, any ~~no person is interested in~~
714 ~~or demonstrates an intention to run for the position of a board~~
715 ~~member whose term~~ would expire upon the election of a successor
716 ~~has expired~~ according to the provisions of this subparagraph may
717 be reappointed to serve by the remaining directors, and such
718 ~~board member whose term has expired~~ shall be automatically
719 reappointed to the board of administration and need not stand
720 for reelection if there are no other directors whose term would
721 similarly expire. In a condominium association of more than 10
722 units, coowners or cooccupants of a unit may not serve as
723 members of the board of directors at the same time unless one
724 coowner or cooccupant owns more than one unit. Any unit owner
725 desiring to be a candidate for board membership shall comply

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726 with subparagraph 3. A person who has been suspended or removed
727 by the division under this chapter, or who is delinquent in the
728 payment of any fee, fine, or special or regular assessment as
729 provided in paragraph (n), is not eligible for board membership.
730 A person who has been convicted of any felony in this state or
731 in a United States District or Territorial Court, or who has
732 been convicted of any offense in another jurisdiction that would
733 be considered a felony if committed in this state, is not
734 eligible for board membership unless such felon's civil rights
735 have been restored for a period of no less than 5 years as of
736 the date on which such person seeks election to the board. The
737 validity of an action by the board is not affected if it is
738 later determined that a member of the board is ineligible for
739 board membership due to having been convicted of a felony.

740 2. The bylaws shall provide the method of calling meetings
741 of unit owners, including annual meetings. Written notice, which
742 ~~notice~~ must include an agenda, shall be mailed, hand delivered,
743 or electronically transmitted to each unit owner at least 14
744 days prior to the annual meeting and shall be posted in a
745 conspicuous place on the condominium property at least 14
746 continuous days preceding the annual meeting. Upon notice to the
747 unit owners, the board shall by duly adopted rule designate a
748 specific location on the condominium property or association
749 property where ~~upon which~~ all notices of unit owner meetings
750 shall be posted; however, if there is no condominium property or
751 association property upon which notices can be posted, this
752 requirement does not apply. In lieu of or in addition to the
753 physical posting of notice of any meeting of the unit owners on
754 the condominium property, the association may, by reasonable

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755 rule, adopt a procedure for conspicuously posting and repeatedly
756 broadcasting the notice and the agenda on a closed-circuit cable
757 television system serving the condominium association. However,
758 if broadcast notice is used in lieu of a notice posted
759 physically on the condominium property, the notice and agenda
760 must be broadcast at least four times every broadcast hour of
761 each day that a posted notice is otherwise required under this
762 section. When broadcast notice is provided, the notice and
763 agenda must be broadcast in a manner and for a sufficient
764 continuous length of time so as to allow an average reader to
765 observe the notice and read and comprehend the entire content of
766 the notice and the agenda. Unless a unit owner waives in writing
767 the right to receive notice of the annual meeting, such notice
768 shall be hand delivered, mailed, or electronically transmitted
769 to each unit owner. Notice for meetings and notice for all other
770 purposes shall be mailed to each unit owner at the address last
771 furnished to the association by the unit owner, or hand
772 delivered to each unit owner. However, if a unit is owned by
773 more than one person, the association shall provide notice, for
774 meetings and all other purposes, to that one address which the
775 developer initially identifies for that purpose and thereafter
776 as one or more of the owners of the unit shall so advise the
777 association in writing, or if no address is given or the owners
778 of the unit do not agree, to the address provided on the deed of
779 record. An officer of the association, or the manager or other
780 person providing notice of the association meeting, shall
781 provide an affidavit or United States Postal Service certificate
782 of mailing, to be included in the official records of the
783 association affirming that the notice was mailed or hand

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784 delivered, in accordance with this provision.

785 3. The members of the board shall be elected by written
786 ballot or voting machine. Proxies shall in no event be used in
787 electing the board, either in general elections or elections to
788 fill vacancies caused by recall, resignation, or otherwise,
789 unless otherwise provided in this chapter. Not less than 60 days
790 before a scheduled election, the association shall mail,
791 deliver, or electronically transmit, whether by separate
792 association mailing or included in another association mailing,
793 delivery, or transmission, including regularly published
794 newsletters, to each unit owner entitled to a vote, a first
795 notice of the date of the election ~~along with a certification~~
796 ~~form provided by the division attesting that he or she has read~~
797 ~~and understands, to the best of his or her ability, the~~
798 ~~governing documents of the association and the provisions of~~
799 ~~this chapter and any applicable rules.~~ Any unit owner or other
800 eligible person desiring to be a candidate for the board must
801 provide a give written notice of intent to be a candidate to the
802 association, which must contain a certification, in the form
803 designated by the division, attesting that he or she has read
804 and understands, to the best of his or her ability, the
805 governing documents of the association and the provisions of
806 this chapter and any applicable rules. The notice must be
807 acknowledged and signed by the candidate not less than 40 days
808 before a scheduled election. Together with the written notice
809 and agenda as set forth in subparagraph 2., the association
810 shall mail, deliver, or electronically transmit a second notice
811 of the election to all unit owners entitled to vote therein,
812 together with a ballot which shall list all candidates. Upon

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813 request of a candidate, the association shall include an
814 information sheet, no larger than 8 1/2 inches by 11 inches,
815 which must be furnished by the candidate not less than 35 days
816 before the election, and ~~along with the signed certification~~
817 ~~form provided for in this subparagraph, to be included with the~~
818 mailing, delivery, or transmission of the ballot, with The
819 costs of mailing, delivery, or electronic transmission and
820 copying shall ~~to~~ be borne by the association. The association is
821 not liable for the contents of the information sheets prepared
822 by the candidates. In order to reduce costs, the association may
823 print or duplicate the information sheets on both sides of the
824 paper. The division shall by rule establish voting procedures
825 consistent with the provisions contained herein, including rules
826 establishing procedures for giving notice by electronic
827 transmission and rules providing for the secrecy of ballots.
828 Elections shall be decided by a plurality of ~~these~~ ballots cast.
829 There shall be no quorum requirement; however, at least 20
830 percent of the eligible voters must cast a ballot in order to
831 have a valid election of members of the board. No unit owner
832 shall permit any other person to vote his or her ballot, and any
833 such ballots improperly cast shall be deemed invalid, provided
834 any unit owner who violates this provision may be fined by the
835 association in accordance with s. 718.303. A unit owner who
836 needs assistance in casting the ballot for the reasons stated in
837 s. 101.051 may obtain assistance in casting the ballot. The
838 regular election shall occur on the date of the annual meeting.
839 The provisions of this subparagraph shall not apply to timeshare
840 condominium associations. Notwithstanding the provisions of this
841 subparagraph, an election is not required unless more candidates

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842 file notices of intent to run or are nominated than board
843 vacancies exist.

844 4. Any approval by unit owners called for by this chapter
845 or the applicable declaration or bylaws, including, but not
846 limited to, the approval requirement in s. 718.111(8), shall be
847 made at a duly noticed meeting of unit owners and shall be
848 subject to all requirements of this chapter or the applicable
849 condominium documents relating to unit owner decisionmaking,
850 except that unit owners may take action by written agreement,
851 without meetings, on matters for which action by written
852 agreement without meetings is expressly allowed by the
853 applicable bylaws or declaration or any statute that provides
854 for such action.

855 5. Unit owners may waive notice of specific meetings if
856 allowed by the applicable bylaws or declaration or any statute.
857 If authorized by the bylaws, notice of meetings of the board of
858 administration, unit owner meetings, except unit owner meetings
859 called to recall board members under paragraph (j), and
860 committee meetings may be given by electronic transmission to
861 unit owners who consent to receive notice by electronic
862 transmission.

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

868 7. Any unit owner may tape record or videotape a meeting of
869 the unit owners subject to reasonable rules adopted by the
870 division.

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871 8. Unless otherwise provided in the bylaws, any vacancy
872 occurring on the board before the expiration of a term may be
873 filled by the affirmative vote of the majority of the remaining
874 directors, even if the remaining directors constitute less than
875 a quorum, or by the sole remaining director. In the alternative,
876 a board may hold an election to fill the vacancy, in which case
877 the election procedures must conform to the requirements of
878 subparagraph 3. unless the association governs 10 units or less
879 and has opted out of the statutory election process, in which
880 case the bylaws of the association control. Unless otherwise
881 provided in the bylaws, a board member appointed or elected
882 under this section shall fill the vacancy for the unexpired term
883 of the seat being filled. Filling vacancies created by recall is
884 governed by paragraph (j) and rules adopted by the division.

885

886 Notwithstanding subparagraphs (b)2. and (d)3., an association of
887 10 or fewer units may, by the affirmative vote of a majority of
888 the total voting interests, provide for different voting and
889 election procedures in its bylaws, which vote may be by a proxy
890 specifically delineating the different voting and election
891 procedures. The different voting and election procedures may
892 provide for elections to be conducted by limited or general
893 proxy.

894 (f) *Annual budget.*—

895 1. The proposed annual budget of estimated revenues and
896 common expenses shall be detailed and shall show the amounts
897 budgeted by accounts and expense classifications, including, if
898 applicable, but not limited to, those expenses listed in s.
899 718.504(21). A multicondominium association shall adopt a

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900 separate budget of common expenses for each condominium the
901 association operates and shall adopt a separate budget of common
902 expenses for the association. In addition, if the association
903 maintains limited common elements with the cost to be shared
904 only by those entitled to use the limited common elements as
905 provided for in s. 718.113(1), the budget or a schedule attached
906 thereto shall show amounts budgeted therefor. If, after turnover
907 of control of the association to the unit owners, any of the
908 expenses listed in s. 718.504(21) are not applicable, they need
909 not be listed.

910 2. In addition to annual operating expenses, the budget
911 shall include reserve accounts for capital expenditures and
912 deferred maintenance. These accounts shall include, but are not
913 limited to, roof replacement, building painting, and pavement
914 resurfacing, regardless of the amount of deferred maintenance
915 expense or replacement cost, and for any other item for which
916 the deferred maintenance expense or replacement cost exceeds
917 \$10,000. The amount to be reserved shall be computed by means of
918 a formula which is based upon estimated remaining useful life
919 and estimated replacement cost or deferred maintenance expense
920 of each reserve item. The association may adjust replacement
921 reserve assessments annually to take into account any changes in
922 estimates or extension of the useful life of a reserve item
923 caused by deferred maintenance. This subsection does not apply
924 to an adopted budget in which the members of an association have
925 determined, by a majority vote at a duly called meeting of the
926 association, to provide no reserves or less reserves than
927 required by this subsection. However, prior to turnover of
928 control of an association by a developer to unit owners other

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929 than a developer pursuant to s. 718.301, the developer may vote
930 to waive the reserves or reduce the funding of reserves for the
931 first 2 fiscal years of the association's operation, beginning
932 with the fiscal year in which the initial declaration is
933 recorded, after which time reserves may be waived or reduced
934 only upon the vote of a majority of all nondeveloper voting
935 interests voting in person or by limited proxy at a duly called
936 meeting of the association. If a meeting of the unit owners has
937 been called to determine whether to waive or reduce the funding
938 of reserves, and no such result is achieved or a quorum is not
939 attained, the reserves as included in the budget shall go into
940 effect. After the turnover, the developer may vote its voting
941 interest to waive or reduce the funding of reserves.

942 3. Reserve funds and any interest accruing thereon shall
943 remain in the reserve account or accounts, and shall be used
944 only for authorized reserve expenditures unless their use for
945 other purposes is approved in advance by a majority vote at a
946 duly called meeting of the association. Prior to turnover of
947 control of an association by a developer to unit owners other
948 than the developer pursuant to s. 718.301, the developer-
949 controlled association shall not vote to use reserves for
950 purposes other than that for which they were intended without
951 the approval of a majority of all nondeveloper voting interests,
952 voting in person or by limited proxy at a duly called meeting of
953 the association.

954 4. The only voting interests which are eligible to vote on
955 questions that involve waiving or reducing the funding of
956 reserves, or using existing reserve funds for purposes other
957 than purposes for which the reserves were intended, are the

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958 voting interests of the units subject to assessment to fund the
959 reserves in question. Proxy questions relating to waiving or
960 reducing the funding of reserves or using existing reserve funds
961 for purposes other than purposes for which the reserves were
962 intended shall contain the following statement in capitalized,
963 bold letters in a font size larger than any other used on the
964 face of the proxy ballot: WAIVING OF RESERVES, IN WHOLE OR IN
965 PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY
966 RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED
967 SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

968 (n) *Director or officer delinquencies.*—A director or
969 officer more than 90 days delinquent in the payment of regular
970 or special assessments shall be deemed to have abandoned the
971 office, creating a vacancy in the office to be filled according
972 to law.

973 (o) *Director or officer offenses.*—A director or officer
974 charged by information or indictment with a felony theft or
975 embezzlement offense involving the association's funds or
976 property shall be removed from office, creating a vacancy in the
977 office to be filled according to law. While such director or
978 officer has such criminal charge pending, he or she may not be
979 appointed or elected to a position as a director or officer.
980 However, should the charges be resolved without a finding of
981 guilt, the director or officer shall be reinstated for the
982 remainder of his or her term of office, if any.

983 Section 4. Paragraphs (d) and (e) of subsection (1) of
984 section 718.115, Florida Statutes, are amended to read:

985 718.115 Common expenses and common surplus.—

986 (1)

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987 (d) If ~~se~~ provided for in the declaration, the cost of a
988 master antenna television system, ~~or~~ duly franchised cable
989 television service, or broadband or Internet service obtained
990 pursuant to a bulk contract shall be deemed a common expense. If
991 the declaration does not provide for the cost of a master
992 antenna television system, ~~or~~ duly franchised cable television
993 service, or broadband or Internet service obtained under a bulk
994 contract as a common expense, the board may enter into such a
995 contract, and the cost of the service will be a common expense
996 but allocated on a per-unit basis rather than a percentage basis
997 if the declaration provides for other than an equal sharing of
998 common expenses, and any contract entered into before July 1,
999 1998, in which the cost of the service is not equally divided
1000 among all unit owners, may be changed by vote of a majority of
1001 the voting interests present at a regular or special meeting of
1002 the association, to allocate the cost equally among all units.
1003 The contract shall be for a term of not less than 2 years.

1004 1. Any contract made by the board after the effective date
1005 hereof for a community antenna system, ~~or~~ duly franchised cable
1006 television service, or broadband or Internet service may be
1007 canceled by a majority of the voting interests present at the
1008 next regular or special meeting of the association. Any member
1009 may make a motion to cancel the ~~said~~ contract, but if no motion
1010 is made or if such motion fails to obtain the required majority
1011 at the next regular or special meeting, whichever occurs ~~is~~
1012 sooner, following the making of the contract, ~~then~~ such contract
1013 shall be deemed ratified for the term therein expressed.

1014 2. Any such contract shall provide, and shall be deemed to
1015 provide if not expressly set forth, that any hearing-impaired or

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1016 legally blind unit owner who does not occupy the unit with a
1017 non-hearing-impaired or sighted person, or any unit owner
1018 receiving supplemental security income under Title XVI of the
1019 Social Security Act or food stamps as administered by the
1020 Department of Children and Family Services pursuant to s.
1021 414.31, may discontinue the service without incurring disconnect
1022 fees, penalties, or subsequent service charges, and, as to such
1023 units, the owners shall not be required to pay any common
1024 expenses charge related to such service. If less than all
1025 members of an association share the expenses of cable
1026 television, the expense shall be shared equally by all
1027 participating unit owners. The association may use the
1028 provisions of s. 718.116 to enforce payment of the shares of
1029 such costs by the unit owners receiving cable television.

1030 (e) The expense of installation, replacement, operation,
1031 repair, and maintenance of hurricane shutters or other hurricane
1032 protection by the board pursuant to s. 718.113(5) shall
1033 constitute a common expense as defined herein and shall be
1034 collected as provided in this section if the association is
1035 responsible for the maintenance, repair, and replacement of the
1036 hurricane shutters or other hurricane protection pursuant to the
1037 declaration of condominium. However, if the maintenance, repair,
1038 and replacement of the hurricane shutters or other hurricane
1039 protection is the responsibility of the unit owners pursuant to
1040 the declaration of condominium, the cost of the installation of
1041 the hurricane shutters or other hurricane protection shall not
1042 be a common expense, but shall be charged individually to the
1043 unit owners based on the cost of installation of the hurricane
1044 shutters or other hurricane protection appurtenant to the unit.

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1045 Notwithstanding the provisions of s. 718.116(10) ~~s. 718.116(9)~~,
1046 and regardless of whether or not the declaration requires the
1047 association or unit owners maintain, repair, or replace
1048 hurricane shutters or other hurricane protection, a unit owner
1049 who has previously installed hurricane shutters in accordance
1050 with s. 718.113(5), other hurricane protection, or laminated
1051 glass architecturally designed to function as hurricane
1052 protection, which hurricane shutters or other hurricane
1053 protection or laminated glass comply with the current applicable
1054 building code, shall receive a credit equal to the pro rata
1055 portion of the assessed installation cost assigned to each unit.
1056 However, such unit owner shall remain responsible for the pro
1057 rata share of expenses for hurricane shutters or other hurricane
1058 protection installed on common elements and association property
1059 by the board pursuant to s. 718.113(5), and shall remain
1060 responsible for a pro rata share of the expense of the
1061 replacement, operation, repair, and maintenance of such shutters
1062 or other hurricane protection.

1063 Section 5. Paragraphs (b), (c), and (g) of subsection (1)
1064 of section 718.116, Florida Statutes, are amended, present
1065 subsections (5) through (10) of that section are redesignated as
1066 subsections (6) through (11), respectively, and a new subsection
1067 (5) is added to that section, to read:

1068 718.116 Assessments; liability; lien and priority;
1069 interest; collection.-

1070 (1)

1071 (b) The liability of a first mortgagee or its successor or
1072 assignees who acquire title to a unit by foreclosure or by deed
1073 in lieu of foreclosure for the unpaid assessments that became

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1074 due before ~~prior to~~ the mortgagee's acquisition of title is
1075 limited to the lesser of:

1076 1. The unit's unpaid common expenses, special assesments,
1077 and regular periodic assessments which accrued or came due
1078 during the 12 ~~6~~ months immediately preceding the acquisition of
1079 title and for which payment in full has not been received by the
1080 association; or

1081 2. Twenty ~~One~~ percent of the original mortgage debt. The
1082 provisions of this paragraph apply only if the first mortgagee
1083 joined the association as a defendant in the foreclosure action.
1084 Joinder of the association is not required if, on the date the
1085 complaint is filed, the association was dissolved or did not
1086 maintain an office or agent for service of process at a location
1087 which was known to or reasonably discoverable by the mortgagee.

1088 (c) The person acquiring title shall pay the amount owed to
1089 the association within 30 days after transfer of title. Failure
1090 to pay the full amount when due shall entitle the association to
1091 record a claim of lien against the parcel and proceed in the
1092 same manner as provided in this section for the collection of
1093 unpaid assessments. However, in the case of a first mortgagee or
1094 its successor or assignees acquiring title to a condominium
1095 parcel as a result of foreclosure of the mortgage or by deed in
1096 lieu of foreclosure of the mortgage, the failure to pay the full
1097 amount due within 30 days after transfer of title entitles the
1098 association to recover all outstanding special and regular
1099 assessments that became due before the acquisition of title.

1100 (g) For purposes of this subsection, the term "successor or
1101 assignee" as used with respect to a first mortgagee includes
1102 only a subsequent holder of the first mortgage or an affiliate

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1103 or subsidiary of a parent entity that acquires title in lieu of
1104 a transfer to the mortgage holder.

1105 (5) Except as otherwise provided in this chapter, a lien
1106 may not be filed by the association against a condominium unit
1107 until 30 days after the date on which a notice of intent to file
1108 a lien is delivered to the owner by certified mail, return
1109 receipt requested, and by first-class United States mail to the
1110 owner at his or her last known address as reflected in the
1111 records of the association. However, if the address reflected in
1112 the records is outside the United States, the notice must be
1113 sent by first-class United States mail to the unit and to the
1114 last known address by regular mail with international postage.
1115 Delivery of the notice shall be deemed complete upon mailing as
1116 required by this subsection. Alternatively, notice shall be
1117 deemed complete if served upon the unit owner in the manner
1118 authorized by chapter 48 and the Florida Rules of Civil
1119 Procedure.

1120 Section 6. Subsection (4) of section 718.121, Florida
1121 Statutes, is repealed.

1122 Section 7. Paragraph (b) of subsection (2) of section
1123 720.304, Florida Statutes, is amended to read:

1124 720.304 Right of owners to peaceably assemble; display of
1125 flag; SLAPP suits prohibited.—

1126 (2)

1127 (b) Any homeowner may erect a freestanding flagpole no more
1128 than 20 feet high on any portion of the homeowner's real
1129 property, regardless of any covenants, restrictions, bylaws,
1130 rules, or requirements of the association, if the flagpole does
1131 not obstruct sightlines at intersections and is not erected

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1132 within or upon an easement. The homeowner may further display in
1133 a respectful manner from that flagpole, regardless of any
1134 covenants, restrictions, bylaws, rules, or requirements of the
1135 association, one official United States flag, not larger than
1136 41/2 feet by 6 feet, and may additionally display one official
1137 flag of the State of Florida or the United States Army, Navy,
1138 Air Force, Marines, or Coast Guard, or a POW-MIA flag. Such
1139 additional flag must be equal in size to or smaller than the
1140 United States flag. The flagpole and display are subject to all
1141 building codes, zoning setbacks, and other applicable
1142 governmental regulations, including, but not limited to, noise
1143 and lighting ordinances in the county or municipality in which
1144 the flag pole is erected.

1145 Section 8. Subsection (3) of section 721.16, Florida
1146 Statutes, is amended to read:

1147 721.16 Liens for overdue assessments; liens for labor
1148 performed on, or materials furnished to, a timeshare unit.-

1149 (3) The lien is effective from the date of recording a
1150 claim of lien in the public records of the county or counties in
1151 which the accommodations and facilities constituting the
1152 timeshare plan are located. The claim of lien shall state the
1153 name of the timeshare plan and identify the timeshare interest
1154 for which the lien is effective, state the name of the
1155 purchaser, state the assessment amount due, and state the due
1156 dates. Notwithstanding any provision of s. 718.116(6)(a) ~~s.~~
1157 ~~718.116(5)(a)~~ or s. 719.108(4) to the contrary, the lien is
1158 effective until satisfied or until 5 years have expired after
1159 the date the claim of lien is recorded unless, within that time,
1160 an action to enforce the lien is commenced pursuant to

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1161 subsection (2). A claim of lien for assessments may include only
1162 assessments which are due when the claim is recorded. A claim of
1163 lien shall be signed and acknowledged by an officer or agent of
1164 the managing entity. Upon full payment, the person making the
1165 payment is entitled to receive a satisfaction of the lien.

1166 Section 9. Subsection (2) of section 553.509, Florida
1167 Statutes, is repealed.

1168 Section 10. This act shall take effect July 1, 2009.