

1 A bill to be entitled
2 An act relating to community associations; amending s.
3 718.111, F.S.; revising records required to be
4 maintained by a condominium association; providing
5 requirements relating to the posting of specified
6 documents on an association's website; providing that
7 physical copies of the official records of the
8 association are open to inspection by certain persons;
9 requiring an outgoing board or committee member to
10 relinquish administrative rights or controls of an
11 association's website or other digital or electronic
12 asset of the association; deleting a provision
13 authorizing certain associations to prepare a report
14 of cash receipts and expenditures in lieu of certain
15 financial statements; deleting a provision prohibiting
16 the waiver of financial reporting requirements for
17 more than a specified period; providing a remedy for
18 an association's failure to provide a unit owner with
19 a copy of the financial report; requiring the Division
20 of Florida Condominiums, Timeshares, and Mobile Homes
21 to maintain and provide copies of financial reports;
22 amending s. 718.117, F.S.; expanding recovery of fair
23 market value to all original purchasers who reject a
24 plan of termination; amending s. 719.104, F.S.;
25 deleting a provision prohibiting the waiver of
26 financial reporting requirements for more than a

27 | specified period; deleting a provision authorizing
28 | cooperative associations to prepare a report of cash
29 | receipts and expenditures in lieu of certain financial
30 | statements; providing a remedy for an association's
31 | failure to provide a unit owner with a copy of the
32 | financial report; requiring the division to maintain
33 | and provide copies of financial reports; amending s.
34 | 720.303, F.S.; revising records required to be
35 | maintained by a homeowners' association; providing
36 | requirements relating to the posting of specified
37 | documents on an association's website; deleting a
38 | provision authorizing associations to prepare a report
39 | of cash receipts and expenditures in lieu of certain
40 | financial statements; providing a remedy for an
41 | association's failure to provide a member with a copy
42 | of the financial report; requiring the division to
43 | maintain and provide copies of financial reports;
44 | amending s. 720.306, F.S.; providing requirements for
45 | amendments to the declaration; amending s. 720.311,
46 | F.S.; conforming a cross-reference; providing an
47 | effective date.

48 |
49 | Be It Enacted by the Legislature of the State of Florida:

50 |
51 | Section 1. Subsections (12) and (13) of section 718.111,
52 | Florida Statutes, are amended to read:

53 718.111 The association.—

54 (12) OFFICIAL RECORDS.—

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

58 1. A copy of the plans, specifications, permits, and
59 warranties related to improvements to the common elements or
60 other property that the association is obligated to maintain,
61 repair, or replace, and other items provided by the developer
62 pursuant to s. 718.301(4).

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

66 3. A photocopy of the recorded bylaws of the association
67 and each amendment to the bylaws.

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

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

72 6. A book or books that contain the minutes of all
73 meetings of the association, the board of administration, and
74 the unit owners, which minutes must be retained for at least 7
75 years.

76 7. A current roster of all unit owners and their mailing
77 addresses, unit identifications, voting certifications, and, if
78 known, telephone numbers. The association shall also maintain

79 the e-mail ~~electronic mailing~~ addresses and facsimile numbers of
80 unit owners consenting to receive notice by electronic
81 transmission. The e-mail ~~electronic mailing~~ addresses and
82 facsimile numbers are not accessible to unit owners if consent
83 to receive notice by electronic transmission is not provided in
84 accordance with subparagraph (d)5. The e-mail addresses and
85 facsimile numbers provided by unit owners to receive notice by
86 electronic transmission must be removed from association records
87 if the unit owner revokes his or her consent to receive notice
88 by electronic transmission ~~(e)5~~. However, the association is not
89 liable for an inadvertent disclosure of the e-mail ~~electronic~~
90 ~~mail~~ address or facsimile number for receiving electronic
91 transmission of notices.

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

94 9. A current copy of any management agreement, lease, or
95 other contract to which the association is a party or under
96 which the association or the unit owners have an obligation or
97 responsibility. Bids for materials, equipment, or services are
98 official records and must be maintained by the association for 1
99 year.

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

102 11. Financial and accounting records for the association
103 and separate financial and accounting records for each
104 condominium that the association operates. All financial and

105 | accounting records must be maintained for at least 7 years. Any
 106 | person who knowingly or intentionally defaces or destroys such
 107 | records, or who knowingly or intentionally fails to create or
 108 | maintain such records, with the intent of causing harm to the
 109 | association or one or more of its members, is personally subject
 110 | to a civil penalty pursuant to s. 718.501(1)(d). The financial
 111 | and accounting records must include, but are not limited to:

112 | a. Accurate, itemized, and detailed records of all
 113 | receipts and expenditures.

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

118 | c. All tax returns, audits, reviews, accounting
 119 | statements, and financial reports of the association or
 120 | condominium.

121 | d. Any records that identify, measure, record, or
 122 | communicate financial information ~~All contracts for work to be~~
 123 | ~~performed. Bids for work to be performed are also considered~~
 124 | ~~official records and must be maintained by the association.~~

125 | 12. Ballots, sign-in sheets, voting proxies, and all other
 126 | papers relating to voting by unit owners, which must be
 127 | maintained for 1 year from the date of the election, vote, or
 128 | meeting to which the document relates, notwithstanding paragraph
 129 | (b).

130 | 13. All rental records if the association is acting as

131 agent for the rental of condominium units.

132 14. A copy of the current question and answer sheet as
133 described in s. 718.504.

134 15. All other written records of the association not
135 specifically included in the foregoing which are related to the
136 operation of the association.

137 16. A copy of the inspection report as described in s.
138 718.301(4)(p).

139 (b) The official records of the association must be
140 maintained within the state for at least 7 years. The records of
141 the association shall be made available to a unit owner within
142 45 miles of the condominium property or within the county in
143 which the condominium property is located within 5 working days
144 after receipt of a written request by the board or its designee.
145 However, such distance requirement does not apply to an
146 association governing a timeshare condominium. This paragraph
147 may be complied with by having a copy of the official records of
148 the association available for inspection or copying on the
149 condominium property or association property, or the association
150 may offer the option of making the records available to a unit
151 owner electronically via the Internet or by allowing the records
152 to be viewed in electronic format on a computer screen and
153 printed upon request. The association is not responsible for the
154 use or misuse of the information provided to an association
155 member or his or her authorized representative pursuant to the
156 compliance requirements of this chapter unless the association

157 has an affirmative duty not to disclose such information
158 pursuant to this chapter.

159 (c)1. An association with 500 or more units which does not
160 manage timeshare units shall post digital copies of the
161 documents specified in subparagraph 2. on the association's
162 website.

163 a. An association's website must be:

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

166 (II) A website or web portal operated by a third party
167 provider with whom the association owns, leases, rents, or
168 otherwise obtains the right to operate a web page, subpage, web
169 portal, or collection of subpages or web portals dedicated to
170 the association's activities and where required notices,
171 records, and documents may be posted by the association.

172 b. The association's website must be accessible through
173 the Internet and must contain a subpage, web portal, or other
174 protected electronic location that is inaccessible to the
175 general public and accessible only to unit owners and employees
176 of the association.

177 c. The association must provide each unit owner with
178 access to the protected sections of the association's website
179 that contain any notices, records, or documents that must be
180 electronically provided.

181 2. The following documents must be posted in digital
182 format on the website:

- 183 a. A copy of the plans, specifications, permits, and
 184 warranties related to improvements to the common elements or
 185 other property that the association is obligated to maintain,
 186 repair, or replace, and other items provided by the developer
 187 pursuant to s. 718.301(4).
- 188 b. A photocopy of the recorded declaration of condominium
 189 of each condominium operated by the association and each
 190 amendment to each declaration.
- 191 c. A photocopy of the recorded bylaws of the association
 192 and each amendment to the bylaws.
- 193 d. A certified copy of the articles of incorporation of
 194 the association, or other documents creating the association,
 195 and each amendment thereto.
- 196 e. A copy of the current rules of the association.
- 197 f. All current insurance policies of the association and
 198 condominiums operated by the association.
- 199 g. A current copy of any management agreement, lease, or
 200 other contract to which the association is a party or under
 201 which the association or the unit owners have an obligation or
 202 responsibility. Bids for materials, equipment, or services are
 203 official records and must be maintained by the association for 1
 204 year.
- 205 h. Bills of sale or transfer for all property owned by the
 206 association.
- 207 i. The annual budget required by s. 718.112(2)(f) and any
 208 proposed budget to be considered at the annual meeting.

209 j. The financial report required by subsection (13) and
 210 any proposed financial report to be considered at a meeting.
 211 k. The certification of each director required by s.
 212 718.112(2) (d) 4.b.
 213 l. A list of all contracts or transactions between the
 214 association and any director, officer, corporation, firm, or
 215 association that is not an affiliated condominium association or
 216 any other entity in which an association director is also a
 217 director or officer and financially interested.
 218 m. Any fidelity bond entered into by the association.
 219 n. Any contract or document regarding a conflict of
 220 interest or possible conflict of interest as provided in ss.
 221 468.436(2) and 718.3026(3).
 222 o. Notice of any board meeting and the agenda for the
 223 meeting, as required by s. 718.112(2) (d) 3., no later than 14
 224 days before the meeting. The notice must be posted in plain view
 225 on the front page, or on a separate subpage labeled "Notices"
 226 which is conspicuously visible and linked from the front page of
 227 the association's website. The association must post on the
 228 association's website any documents to be considered during the
 229 meeting or listed on the agenda at least 7 days before the
 230 meeting at which the document or the information within the
 231 document will be considered, unless otherwise stated, including
 232 the following documents:
 233 (I) The proposed annual budget required by s.
 234 718.112(2) (f), which must be provided at least 14 days before

235 the meeting.

236 (II) The proposed financial report required by subsection
237 (13).

238 (III) A list of persons seeking to be elected to the
239 board.

240 3. The association shall ensure that the information and
241 records described in paragraph (d), which are not permitted to
242 be accessible to unit owners, are not posted on the
243 association's website. If protected information or information
244 restricted from being accessible to unit owners is included in
245 documents that are required to be posted on the association's
246 website, the association shall ensure the information is
247 redacted before posting the documents online.

248 (d)-(e) Physical copies of the official records of the
249 association are open to inspection by any association member or
250 the authorized representative of such member at all reasonable
251 times. The right to inspect the records includes the right to
252 make or obtain copies, at the reasonable expense, if any, of the
253 member. The association may adopt reasonable rules regarding the
254 frequency, time, location, notice, and manner of record
255 inspections and copying. The failure of an association to
256 provide the records within 10 working days after receipt of a
257 written request creates a rebuttable presumption that the
258 association willfully failed to comply with this paragraph. A
259 unit owner who is denied access to official records is entitled
260 to the actual damages or minimum damages for the association's

261 willful failure to comply. Minimum damages are \$50 per calendar
262 day for up to 10 days, beginning on the 11th working day after
263 receipt of the written request. The failure to permit inspection
264 entitles any person prevailing in an enforcement action to
265 recover reasonable attorney fees from the person in control of
266 the records who, directly or indirectly, knowingly denied access
267 to the records. Any person who knowingly or intentionally
268 defaces or destroys accounting records that are required by this
269 chapter to be maintained during the period for which such
270 records are required to be maintained, or who knowingly or
271 intentionally fails to create or maintain accounting records
272 that are required to be created or maintained, with the intent
273 of causing harm to the association or one or more of its
274 members, is personally subject to a civil penalty pursuant to s.
275 718.501(1)(d). The association shall maintain an adequate number
276 of copies of the declaration, articles of incorporation, bylaws,
277 and rules, and all amendments to each of the foregoing, as well
278 as the question and answer sheet as described in s. 718.504 and
279 year-end financial information required under this section, on
280 the condominium property to ensure their availability to unit
281 owners and prospective purchasers, and may charge its actual
282 costs for preparing and furnishing these documents to those
283 requesting the documents. An association shall allow a member or
284 his or her authorized representative to use a portable device,
285 including a smartphone, tablet, portable scanner, or any other
286 technology capable of scanning or taking photographs, to make an

287 | electronic copy of the official records in lieu of the
288 | association's providing the member or his or her authorized
289 | representative with a copy of such records. The association may
290 | not charge a member or his or her authorized representative for
291 | the use of a portable device. Notwithstanding this paragraph,
292 | the following records are not accessible to unit owners:

293 | 1. Any record protected by the lawyer-client privilege as
294 | described in s. 90.502 and any record protected by the work-
295 | product privilege, including a record prepared by an association
296 | attorney or prepared at the attorney's express direction, which
297 | reflects a mental impression, conclusion, litigation strategy,
298 | or legal theory of the attorney or the association, and which
299 | was prepared exclusively for civil or criminal litigation or for
300 | adversarial administrative proceedings, or which was prepared in
301 | anticipation of such litigation or proceedings until the
302 | conclusion of the litigation or proceedings.

303 | 2. Information obtained by an association in connection
304 | with the approval of the lease, sale, or other transfer of a
305 | unit.

306 | 3. Personnel records of association or management company
307 | employees, including, but not limited to, disciplinary, payroll,
308 | health, and insurance records. For purposes of this
309 | subparagraph, the term "personnel records" does not include
310 | written employment agreements with an association employee or
311 | management company, or budgetary or financial records that
312 | indicate the compensation paid to an association employee.

313 4. Medical records of unit owners.

314 5. Social security numbers, driver license numbers, credit
315 card numbers, e-mail addresses, telephone numbers, facsimile
316 numbers, emergency contact information, addresses of a unit
317 owner other than as provided to fulfill the association's notice
318 requirements, and other personal identifying information of any
319 person, excluding the person's name, unit designation, mailing
320 address, property address, and any address, e-mail address, or
321 facsimile number provided to the association to fulfill the
322 association's notice requirements. Notwithstanding the
323 restrictions in this subparagraph, an association may print and
324 distribute to parcel owners a directory containing the name,
325 parcel address, and all telephone numbers of each parcel owner.
326 However, an owner may exclude his or her telephone numbers from
327 the directory by so requesting in writing to the association. An
328 owner may consent in writing to the disclosure of other contact
329 information described in this subparagraph. The association is
330 not liable for the inadvertent disclosure of information that is
331 protected under this subparagraph if the information is included
332 in an official record of the association and is voluntarily
333 provided by an owner and not requested by the association.

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

336 7. The software and operating system used by the
337 association which allow the manipulation of data, even if the
338 owner owns a copy of the same software used by the association.

339 The data is part of the official records of the association.

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

342 (f)~~(e)~~1. The association or its authorized agent is not
343 required to provide a prospective purchaser or lienholder with
344 information about the condominium or the association other than
345 information or documents required by this chapter to be made
346 available or disclosed. The association or its authorized agent
347 may charge a reasonable fee to the prospective purchaser,
348 lienholder, or the current unit owner for providing good faith
349 responses to requests for information by or on behalf of a
350 prospective purchaser or lienholder, other than that required by
351 law, if the fee does not exceed \$150 plus the reasonable cost of
352 photocopying and any attorney ~~attorney's~~ fees incurred by the
353 association in connection with the response.

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

360 (g)~~(f)~~ An outgoing board or committee member must
361 relinquish all official records and property of the association
362 in his or her possession or under his or her control, including
363 administrative rights or controls of an association's website or
364 other digital or electronic asset of the association, to the

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

369 (13) FINANCIAL REPORTING.—Within 90 days after the end of
370 the fiscal year, or annually on a date provided in the bylaws,
371 the association shall prepare and complete, or contract for the
372 preparation and completion of, a financial report for the
373 preceding fiscal year. Within 21 days after the final financial
374 report is completed by the association or received from the
375 third party, but not later than 120 days after the end of the
376 fiscal year or other date as provided in the bylaws, the
377 association shall mail to each unit owner at the address last
378 furnished to the association by the unit owner, or hand deliver
379 to each unit owner, a copy of the financial report or a notice
380 that a copy of the financial report will be mailed or hand
381 delivered to the unit owner, without charge, upon receipt of a
382 written request from the unit owner. The division shall adopt
383 rules setting forth uniform accounting principles and standards
384 to be used by all associations and addressing the financial
385 reporting requirements for multicondominium associations. The
386 rules must include, but not be limited to, standards for
387 presenting a summary of association reserves, including a good
388 faith estimate disclosing the annual amount of reserve funds
389 that would be necessary for the association to fully fund
390 reserves for each reserve item based on the straight-line

391 accounting method. This disclosure is not applicable to reserves
392 funded via the pooling method. In adopting such rules, the
393 division shall consider the number of members and annual
394 revenues of an association. Financial reports shall be prepared
395 as follows:

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

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

404 2. An association with total annual revenues of at least
405 \$300,000, but less than \$500,000, shall prepare reviewed
406 financial statements.

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

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

412 ~~2. An association that operates fewer than 50 units,~~
413 ~~regardless of the association's annual revenues, shall prepare a~~
414 ~~report of cash receipts and expenditures in lieu of financial~~
415 ~~statements required by paragraph (a).~~

416 2.3. A report of cash receipts and disbursements must

417 disclose the amount of receipts by accounts and receipt
418 classifications and the amount of expenses by accounts and
419 expense classifications, including, but not limited to, the
420 following, as applicable: costs for security, professional and
421 management fees and expenses, taxes, costs for recreation
422 facilities, expenses for refuse collection and utility services,
423 expenses for lawn care, costs for building maintenance and
424 repair, insurance costs, administration and salary expenses, and
425 reserves accumulated and expended for capital expenditures,
426 deferred maintenance, and any other category for which the
427 association maintains reserves.

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

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

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

436 3. Audited financial statements if the association is
437 required to prepare reviewed financial statements.

438 (d) If approved by a majority of the voting interests
439 present at a properly called meeting of the association, an
440 association may prepare:

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

443 2. A report of cash receipts and expenditures or a
444 compiled financial statement in lieu of a reviewed or audited
445 financial statement; or

446 3. A report of cash receipts and expenditures, a compiled
447 financial statement, or a reviewed financial statement in lieu
448 of an audited financial statement.

449

450 Such meeting and approval must occur before the end of the
451 fiscal year and is effective only for the fiscal year in which
452 the vote is taken, except that the approval may also be
453 effective for the following fiscal year. If the developer has
454 not turned over control of the association, all unit owners,
455 including the developer, may vote on issues related to the
456 preparation of the association's financial reports, from the
457 date of incorporation of the association through the end of the
458 second fiscal year after the fiscal year in which the
459 certificate of a surveyor and mapper is recorded pursuant to s.
460 718.104(4)(e) or an instrument that transfers title to a unit in
461 the condominium which is not accompanied by a recorded
462 assignment of developer rights in favor of the grantee of such
463 unit is recorded, whichever occurs first. Thereafter, all unit
464 owners except the developer may vote on such issues until
465 control is turned over to the association by the developer. Any
466 audit or review prepared under this section shall be paid for by
467 the developer if done before turnover of control of the
468 association. ~~An association may not waive the financial~~

469 ~~reporting requirements of this section for more than 3~~
470 ~~consecutive years.~~

471 (e) If an association has not provided the unit owner with
472 a copy of the financial report after receipt of a written
473 request within the time required pursuant to this section, the
474 unit owner may contact the division to report the association's
475 failure to comply. Upon notification, the division shall contact
476 the association to request that the association provide the copy
477 of the financial report to the unit owner within 5 business
478 days. If the association further fails to provide the copy of
479 the financial report, the association must provide a copy of the
480 financial report to the division within 7 business days.
481 Additionally, the association must provide a copy of the
482 financial report to the division for the 2 subsequent fiscal
483 years within 21 days after the final financial report is
484 completed by the association or received from the third party
485 and may not waive the financial reporting requirement as
486 provided in paragraph (d). The division shall maintain the
487 financial reports and provide a copy of the financial reports to
488 members of the public upon request.

489 Section 2. Paragraph (c) of subsection (3) of section
490 718.117, Florida Statutes, is amended to read:

491 718.117 Termination of condominium.—

492 (3) OPTIONAL TERMINATION.—Except as provided in subsection
493 (2) or unless the declaration provides for a lower percentage,
494 the condominium form of ownership may be terminated for all or a

495 | portion of the condominium property pursuant to a plan of
496 | termination approved by at least 80 percent of the total voting
497 | interests of the condominium. If 10 percent or more of the total
498 | voting interests of the condominium have rejected the plan of
499 | termination by negative vote or by providing written objections,
500 | the plan of termination may not proceed.

501 | (c) For purposes of this subsection, the term "bulk owner"
502 | means the single holder of such voting interests or an owner
503 | together with a related entity or entities that would be
504 | considered an insider, as defined in s. 726.102, holding such
505 | voting interests. If the condominium association is a
506 | residential association proposed for termination pursuant to
507 | this section and, at the time of recording the plan of
508 | termination, at least 80 percent of the total voting interests
509 | are owned by a bulk owner, the plan of termination is subject to
510 | the following conditions and limitations:

511 | 1. If the former condominium units are offered for lease
512 | to the public after the termination, each unit owner in
513 | occupancy immediately before the date of recording of the plan
514 | of termination may lease his or her former unit and remain in
515 | possession of the unit for 12 months after the effective date of
516 | the termination on the same terms as similar unit types within
517 | the property are being offered to the public. In order to obtain
518 | a lease and exercise the right to retain exclusive possession of
519 | the unit owner's former unit, the unit owner must make a written
520 | request to the termination trustee to rent the former unit

521 within 90 days after the date the plan of termination is
522 recorded. Any unit owner who fails to timely make such written
523 request and sign a lease within 15 days after being presented
524 with a lease is deemed to have waived his or her right to retain
525 possession of his or her former unit and shall be required to
526 vacate the former unit upon the effective date of the
527 termination, unless otherwise provided in the plan of
528 termination.

529 2. Any former unit owner whose unit was granted homestead
530 exemption status by the applicable county property appraiser as
531 of the date of the recording of the plan of termination shall be
532 paid a relocation payment in an amount equal to 1 percent of the
533 termination proceeds allocated to the owner's former unit. Any
534 relocation payment payable under this subparagraph shall be paid
535 by the single entity or related entities owning at least 80
536 percent of the total voting interests. Such relocation payment
537 shall be in addition to the termination proceeds for such
538 owner's former unit and shall be paid no later than 10 days
539 after the former unit owner vacates his or her former unit.

540 3. For their respective units, all unit owners other than
541 the bulk owner must be compensated at least 100 percent of the
542 fair market value of their units. The fair market value shall be
543 determined as of a date that is no earlier than 90 days before
544 the date that the plan of termination is recorded and shall be
545 determined by an independent appraiser selected by the
546 termination trustee. For an original purchaser from the

547 developer who rejects the plan of termination ~~and whose unit was~~
548 ~~granted homestead exemption status by the applicable county~~
549 ~~property appraiser,~~ or was an owner-occupied operating business,
550 as of the date that the plan of termination is recorded and who
551 is current in payment of both assessments and other monetary
552 obligations to the association and any mortgage encumbering the
553 unit as of the date the plan of termination is recorded, the
554 fair market value for the unit owner rejecting the plan shall be
555 at least the original purchase price paid for the unit. For
556 purposes of this subparagraph, the term "fair market value"
557 means the price of a unit that a seller is willing to accept and
558 a buyer is willing to pay on the open market in an arms-length
559 transaction based on similar units sold in other condominiums,
560 including units sold in bulk purchases but excluding units sold
561 at wholesale or distressed prices. The purchase price of units
562 acquired in bulk following a bankruptcy or foreclosure shall not
563 be considered for purposes of determining fair market value.

564 4. The plan of termination must provide for payment of a
565 first mortgage encumbering a unit to the extent necessary to
566 satisfy the lien, but the payment may not exceed the unit's
567 share of the proceeds of termination under the plan. If the unit
568 owner is current in payment of both assessments and other
569 monetary obligations to the association and any mortgage
570 encumbering the unit as of the date the plan of termination is
571 recorded, the receipt by the holder of the unit's share of the
572 proceeds of termination under the plan or the outstanding

573 balance of the mortgage, whichever is less, shall be deemed to
574 have satisfied the first mortgage in full.

575 5. Before a plan of termination is presented to the unit
576 owners for consideration pursuant to this paragraph, the plan
577 must include the following written disclosures in a sworn
578 statement:

579 a. The identity of any person or entity that owns or
580 controls 50 percent or more of the units in the condominium and,
581 if the units are owned by an artificial entity or entities, a
582 disclosure of the natural person or persons who, directly or
583 indirectly, manage or control the entity or entities and the
584 natural person or persons who, directly or indirectly, own or
585 control 20 percent or more of the artificial entity or entities
586 that constitute the bulk owner.

587 b. The units acquired by any bulk owner, the date each
588 unit was acquired, and the total amount of compensation paid to
589 each prior unit owner by the bulk owner, regardless of whether
590 attributed to the purchase price of the unit.

591 c. The relationship of any board member to the bulk owner
592 or any person or entity affiliated with the bulk owner subject
593 to disclosure pursuant to this subparagraph.

594 Section 3. Subsection (4) of section 719.104, Florida
595 Statutes, is amended to read:

596 719.104 Cooperatives; access to units; records; financial
597 reports; assessments; purchase of leases.—

598 (4) FINANCIAL REPORT.—

599 (a) Within 90 days following the end of the fiscal or
600 calendar year or annually on such date as provided in the bylaws
601 of the association, the board of administration shall prepare
602 and complete, or contract with a third party to prepare and
603 complete, a financial report covering the preceding fiscal or
604 calendar year. Within 21 days after the financial report is
605 completed by the association or received from the third party,
606 but no later than 120 days after the end of the fiscal year,
607 calendar year, or other date provided in the bylaws, the
608 association shall provide each member with a copy of the annual
609 financial report or a written notice that a copy of the
610 financial report is available upon request at no charge to the
611 member. The division shall adopt rules setting forth uniform
612 accounting principles, standards, and reporting requirements.

613 (b) Except as provided in paragraph (c), an association
614 whose total annual revenues meet the criteria of this paragraph
615 shall prepare or cause to be prepared a complete set of
616 financial statements according to the generally accepted
617 accounting principles adopted by the Board of Accountancy. The
618 financial statements shall be as follows:

619 1. An association with total annual revenues between
620 \$150,000 and \$299,999 shall prepare a compiled financial
621 statement.

622 2. An association with total annual revenues between
623 \$300,000 and \$499,999 shall prepare a reviewed financial
624 statement.

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

627 4. The requirement to have the financial statement
628 compiled, reviewed, or audited does not apply to an association
629 if a majority of the voting interests of the association present
630 at a duly called meeting of the association have voted to waive
631 this requirement for the fiscal year. In an association in which
632 turnover of control by the developer has not occurred, the
633 developer may vote to waive the audit requirement for the first
634 2 years of operation of the association, after which time waiver
635 of an applicable audit requirement shall be by a majority of
636 voting interests other than the developer. The meeting shall be
637 held prior to the end of the fiscal year, and the waiver shall
638 be effective for only one fiscal year. ~~An association may not
639 waive the financial reporting requirements of this section for
640 more than 3 consecutive years.~~

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

644 ~~2. An association in a community of fewer than 50 units,
645 regardless of the association's annual revenues, shall prepare a
646 report of cash receipts and expenditures in lieu of the
647 financial statements required by paragraph (b), unless the
648 declaration or other recorded governing documents provide
649 otherwise.~~

650 2.3. A report of cash receipts and expenditures must

651 disclose the amount of receipts by accounts and receipt
652 classifications and the amount of expenses by accounts and
653 expense classifications, including the following, as applicable:
654 costs for security, professional, and management fees and
655 expenses; taxes; costs for recreation facilities; expenses for
656 refuse collection and utility services; expenses for lawn care;
657 costs for building maintenance and repair; insurance costs;
658 administration and salary expenses; and reserves, if maintained
659 by the association.

660 (d) If at least 20 percent of the unit owners petition the
661 board for a greater level of financial reporting than that
662 required by this section, the association shall duly notice and
663 hold a membership meeting within 30 days after receipt of the
664 petition to vote on raising the level of reporting for that
665 fiscal year. Upon approval by a majority of the voting interests
666 represented at a meeting at which a quorum of unit owners is
667 present, the association shall prepare an amended budget or
668 shall adopt a special assessment to pay for the financial report
669 regardless of any provision to the contrary in the declaration
670 or other recorded governing documents. In addition, the
671 association shall provide within 90 days after the meeting or
672 the end of the fiscal year, whichever occurs later:

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

676 2. Reviewed or audited financial statements, if the

677 association is otherwise required to prepare compiled financial
678 statements; or

679 3. Audited financial statements, if the association is
680 otherwise required to prepare reviewed financial statements.

681 (e) If approved by a majority of the voting interests
682 present at a properly called meeting of the association, an
683 association may prepare or cause to be prepared:

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

686 2. A report of cash receipts and expenditures or a
687 compiled financial statement in lieu of a reviewed or audited
688 financial statement; or

689 3. A report of cash receipts and expenditures, a compiled
690 financial statement, or a reviewed financial statement in lieu
691 of an audited financial statement.

692 (f) If an association has not provided the unit owner with
693 a copy of the financial report after receipt of a written
694 request within the time required as provided in paragraph (a),
695 the unit owner may contact the division to report the
696 association's failure to comply. Upon notification, the division
697 shall contact the association to request that the association
698 provide the copy of the financial report to the unit owner
699 within 5 business days. If the association further fails to
700 provide the copy of the financial report, the association must
701 provide a copy of the financial report to the division within 7
702 business days. Additionally, the association must provide a copy

703 of the financial report to the division for the 2 subsequent
704 fiscal years within 21 days after the final financial report is
705 completed by the association or received from the third party
706 and may not waive the financial reporting requirement as
707 provided in paragraph (b) or paragraph (e). The division shall
708 maintain the financial reports and provide a copy of the
709 financial reports to members of the public upon request.

710 Section 4. Subsections (6) through (13) of section
711 720.303, Florida Statutes, are renumbered as sections (7)
712 through (14), respectively, present subsection (4), paragraph
713 (c) of present subsection (6), and present subsection (7) of
714 that section are amended, and a new subsection (6) is added to
715 that section, to read:

716 720.303 Association powers and duties; meetings of board;
717 official records; budgets; financial reporting; association
718 funds; recalls.—

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

722 (a) Copies of any plans, specifications, permits, and
723 warranties related to improvements constructed on the common
724 areas or other property that the association is obligated to
725 maintain, repair, or replace, and other items provided by the
726 developer pursuant to s. 720.307(4).

727 (b) A copy of the bylaws of the association and of each
728 amendment to the bylaws.

729 (c) A certified copy of the articles of incorporation of
730 the association and of each amendment thereto.

731 (d) A copy of the declaration of covenants and a copy of
732 each amendment thereto.

733 (e) A copy of the current rules of the homeowners'
734 association.

735 (f) The minutes of all meetings of the board of directors
736 and of the members, which minutes must be retained for at least
737 7 years.

738 (g) A current roster of all members and their mailing
739 addresses and parcel identifications. The association shall also
740 maintain the e-mail ~~electronic mailing~~ addresses and the numbers
741 designated by members for receiving notice sent by electronic
742 transmission of those members consenting to receive notice by
743 electronic transmission. The e-mail ~~electronic mailing~~ addresses
744 and numbers provided by members ~~unit owners~~ to receive notice by
745 electronic transmission shall be removed from association
746 records when consent to receive notice by electronic
747 transmission is revoked. However, the association is not liable
748 for an erroneous disclosure of the e-mail ~~electronic mail~~
749 address or the number for receiving electronic transmission of
750 notices.

751 (h) All of the association's insurance policies or a copy
752 thereof, which policies must be retained for at least 7 years.

753 (i) A current copy of all contracts to which the
754 association is a party, including, without limitation, any

755 management agreement, lease, or other contract under which the
756 association has any obligation or responsibility. Bids received
757 by the association for materials, equipment, or services ~~work to~~
758 ~~be performed~~ must also be considered official records and must
759 be maintained ~~kept~~ for ~~a period of~~ 1 year.

760 (j) The financial and accounting records of the
761 association, kept according to good accounting practices. All
762 financial and accounting records must be maintained for a period
763 of at least 7 years. The financial and accounting records must
764 include:

765 1. Accurate, itemized, and detailed records of all
766 receipts and expenditures.

767 2. A current account and a periodic statement of the
768 account for each member, designating the name and current
769 address of each member who is obligated to pay assessments, the
770 due date and amount of each assessment or other charge against
771 the member, the date and amount of each payment on the account,
772 and the balance due.

773 3. All tax returns, audits, reviews, financial statements,
774 and financial reports of the association.

775 4. Any other records that identify, measure, record, or
776 communicate financial information.

777 (k) A copy of the disclosure summary described in s.
778 720.401(1).

779 (l) Ballots, sign-in sheets, voting proxies, and all other
780 papers relating to voting by members, which must be maintained

781 for 1 year after the date of the election, vote, or meeting to
 782 which the document relates.

783 (m) ~~(l)~~ All other written records of the association not
 784 specifically included in the foregoing which are related to the
 785 operation of the association.

786 (6) ACCESS TO ASSOCIATION DOCUMENTS AND RECORDS ON AN
 787 ASSOCIATION WEBSITE.—

788 (a) An association with 7,500 or more parcels shall post
 789 digital copies of the documents specified in paragraph (b) on
 790 the association's website. An association with fewer than 7,500
 791 parcels located within the physical boundaries of an affiliated
 792 association that has more than 7,500 or more parcels shall post
 793 digital copies of such documents on the larger affiliated
 794 association's website. An association with fewer than 7,500
 795 parcels located within the physical boundaries of an association
 796 with more than 7,500 or more parcels but that is not affiliated
 797 with the larger association may post digital copies of such
 798 documents on its website if the association chooses to do so.

799 1. An association's website must be:

800 a. An independent website or web portal wholly owned and
 801 operated by the association; or

802 b. A website or web portal that is operated by a third-
 803 party provider with whom the association owns, leases, rents, or
 804 otherwise obtains the right to operate a web page, subpage, web
 805 portal, or collection of subpages or web portals dedicated to
 806 the association's activities and where required notices,

807 records, and documents may be posted by the association.

808 2. The association's website must be accessible through
809 the Internet and must contain a subpage, web portal, or other
810 protected electronic location that is inaccessible to the
811 general public and accessible only to the members and employees
812 of the association.

813 3. The association must provide each member with access to
814 the protected sections of the association's website that contain
815 any notices, records, or documents that must be electronically
816 provided.

817 (b) The following documents must be posted in digital
818 format on the website:

819 1. A copy of the bylaws of the association and of each
820 amendment to the bylaws.

821 2. A certified copy of the articles of incorporation of
822 the association and of each amendment thereto.

823 3. A copy of the declaration of covenants and a copy of
824 each amendment thereto.

825 4. A copy of the current rules of the association.

826 5. The annual budget required by subsection (7) and any
827 proposed budget to be considered at the annual meeting.

828 6. The financial report required by subsection (8) and any
829 proposed financial report to be considered at a meeting.

830 7. The certification of each director required by s.
831 720.3033(1).

832 8. Any fidelity bond entered into by the association.

- 833 9. A map of the association, including association
834 boundaries.
- 835 10. Notice of any board meeting and the agenda for the
836 meeting, as required by subsection (2), no later than 14 days
837 before the meeting. The notice must be posted in plain view on
838 the front page, or on a separate subpage labeled "Notices" which
839 is conspicuously visible and linked from the front page of the
840 association's website. The association must post on the
841 association's website any documents to be considered during the
842 meeting or listed on the agenda at least 7 days before the
843 meeting at which the document or the information within the
844 document will be considered, including the following documents:
- 845 a. The proposed annual budget required by subsection (7).
846 b. The proposed financial report required by subsection
847 (8).
- 848 c. A list of persons seeking to be elected to the board.
849 d. A copy of contracts or transactions listed in
850 subparagraph 8.
- 851 e. Any competitive bids for materials, equipment, or
852 services.
- 853 f. Any proposed contracts or proposed transactional
854 documents related to any possible conflict of interest set forth
855 in ss. 468.436(2) and 720.3033.
- 856 (c) The website must include the following statement:
857

858 The following documents are available at the request
859 of any association member:

860

861 1. Minutes of all meetings of the board of directors
862 and of the members.

863 2. A current roster of all members and their mailing
864 addresses and parcel identifications.

865 3. All of the association's insurance policies or a
866 copy thereof.

867 4. A current copy of all contracts to which the
868 association is a party.

869 5. The financial and accounting records of the
870 association, kept according to good accounting
871 practices.

872 6. All tax returns, audits, review, financial
873 statements, and financial reports of the association.

874 7. A copy of the disclosure summary described in s.
875 720.401(1), Florida Statutes.

876 8. Any other records that identify, measure, record,
877 or communicate financial information.

878 9. Any document created by the association or a board
879 member relating to the recall of a director, pursuant
880 to s. 720.303(11), Florida Statutes, or any document
881 created for or filed by the association in an
882 arbitration proceeding conducted by the division
883 regarding the recall of a director.

- 884 10. A copy of the information submitted to the
885 division to comply with the reporting requirements of
886 s. 720.303(14), Florida Statutes.
- 887 11. Documentation reporting the compensation of
888 directors, officers, or members.
- 889 12. A list of all contracts or transactions between
890 the association and any director, officer,
891 corporation, firm, or association that is not an
892 affiliated homeowners' association or any other entity
893 in which an association director is also a director or
894 officer and financially interested.
- 895 13. Any contract or document regarding a conflict of
896 interest or possible conflict of interest, as provided
897 in s. 468.436(2) or s. 720.3033, Florida Statutes.

898

899 The notice must include the e-mail address of the person to
900 contact for a copy of the roster.

901 (d) The association shall ensure that the information and
902 records described in paragraph (5)(c), which are not permitted
903 to be accessible to members or parcel owners, are not posted on
904 the association's website. If protected information or
905 information restricted from being accessible to members or
906 parcel owners is included in documents that are required to be
907 posted on the association's website, the association shall
908 ensure the information is redacted before posting the documents
909 online.

910 (7)~~(6)~~ BUDGETS.—

911 (c)1. If the budget of the association does not provide
 912 for reserve accounts pursuant to paragraph (d) and the
 913 association is responsible for the repair and maintenance of
 914 capital improvements that may result in a special assessment if
 915 reserves are not provided, each financial report for the
 916 preceding fiscal year required by subsection (8) ~~(7)~~ must
 917 contain the following statement in conspicuous type:

918 THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR RESERVE
 919 ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT
 920 MAY RESULT IN SPECIAL ASSESSMENTS. OWNERS MAY ELECT TO PROVIDE
 921 FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(7) ~~720.303(6)~~,
 922 FLORIDA STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF
 923 THE TOTAL VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE
 924 MEMBERS AT A MEETING OR BY WRITTEN CONSENT.

925 2. If the budget of the association does provide for
 926 funding accounts for deferred expenditures, including, but not
 927 limited to, funds for capital expenditures and deferred
 928 maintenance, but such accounts are not created or established
 929 pursuant to paragraph (d), each financial report for the
 930 preceding fiscal year required under subsection (8) ~~(7)~~ must
 931 also contain the following statement in conspicuous type:
 932 THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY
 933 DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES
 934 AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED
 935 IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED

936 TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(7)
937 ~~720.303(6)~~, FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE
938 RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR
939 ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.

940 (8)~~(7)~~ FINANCIAL REPORTING.—Within 90 days after the end
941 of the fiscal year, or annually on the date provided in the
942 bylaws, the association shall prepare and complete, or contract
943 with a third party for the preparation and completion of, a
944 financial report for the preceding fiscal year. Within 21 days
945 after the final financial report is completed by the association
946 or received from the third party, but not later than 120 days
947 after the end of the fiscal year or other date as provided in
948 the bylaws, the association shall, within the time limits set
949 forth in subsection (5), provide each member with a copy of the
950 annual financial report or a written notice that a copy of the
951 financial report is available upon request at no charge to the
952 member. Financial reports shall be prepared as follows:

953 (a) An association that meets the criteria of this
954 paragraph shall prepare or cause to be prepared a complete set
955 of financial statements in accordance with generally accepted
956 accounting principles as adopted by the Board of Accountancy.
957 The financial statements shall be based upon the association's
958 total annual revenues, as follows:

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

962 2. An association with total annual revenues of at least
963 \$300,000, but less than \$500,000, shall prepare reviewed
964 financial statements.

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

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

970 ~~2. An association in a community of fewer than 50 parcels,~~
971 ~~regardless of the association's annual revenues, may prepare a~~
972 ~~report of cash receipts and expenditures in lieu of financial~~
973 ~~statements required by paragraph (a) unless the governing~~
974 ~~documents provide otherwise.~~

975 2.3. A report of cash receipts and disbursement must
976 disclose the amount of receipts by accounts and receipt
977 classifications and the amount of expenses by accounts and
978 expense classifications, including, but not limited to, the
979 following, as applicable: costs for security, professional, and
980 management fees and expenses; taxes; costs for recreation
981 facilities; expenses for refuse collection and utility services;
982 expenses for lawn care; costs for building maintenance and
983 repair; insurance costs; administration and salary expenses; and
984 reserves if maintained by the association.

985 (c) If 20 percent of the parcel owners petition the board
986 for a level of financial reporting higher than that required by
987 this section, the association shall duly notice and hold a

988 meeting of members within 30 days of receipt of the petition for
989 the purpose of voting on raising the level of reporting for that
990 fiscal year. Upon approval of a majority of the total voting
991 interests of the parcel owners, the association shall prepare or
992 cause to be prepared, shall amend the budget or adopt a special
993 assessment to pay for the financial report regardless of any
994 provision to the contrary in the governing documents, and shall
995 provide within 90 days of the meeting or the end of the fiscal
996 year, whichever occurs later:

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

1000 2. Reviewed or audited financial statements, if the
1001 association is otherwise required to prepare compiled financial
1002 statements; or

1003 3. Audited financial statements if the association is
1004 otherwise required to prepare reviewed financial statements.

1005 (d) If approved by a majority of the voting interests
1006 present at a properly called meeting of the association, an
1007 association may prepare or cause to be prepared:

1008 1. A report of cash receipts and expenditures in lieu of a
1009 compiled, reviewed, or audited financial statement;

1010 2. A report of cash receipts and expenditures or a
1011 compiled financial statement in lieu of a reviewed or audited
1012 financial statement; or

1013 3. A report of cash receipts and expenditures, a compiled

1014 financial statement, or a reviewed financial statement in lieu
1015 of an audited financial statement.

1016 (e) If an association has not provided the member with a
1017 copy of the financial report after receipt of a written request
1018 within the time required pursuant to this section, the member
1019 may contact the division to report the association's failure to
1020 comply. Upon notification, the division shall contact the
1021 association to request that the association provide the copy of
1022 the financial report to the member within 5 business days. If
1023 the association further fails to provide the copy of the
1024 financial report, the association must provide a copy of the
1025 financial report to the division within 7 business days.
1026 Additionally, the association must provide a copy of the
1027 financial report to the division for the 2 subsequent fiscal
1028 years within 21 days after the final financial report is
1029 completed by the association or received from the third party
1030 and may not waive the financial reporting requirement as
1031 provided in paragraph (d). The division shall maintain the
1032 financial reports and provide a copy of the financial reports to
1033 members of the public upon request.

1034 Section 5. Paragraph (d) of subsection (1) of section
1035 720.306, Florida Statutes, is redesignated as paragraph (h),
1036 paragraph (c) of subsection (9) is amended, and new paragraphs
1037 (d) through (g) are added to subsection (1) of that section, to
1038 read:

1039 720.306 Meetings of members; voting and election

1040 procedures; amendments.—

1041 (1) QUORUM; AMENDMENTS.—

1042 (d) A proposal to amend an existing provision of the
1043 declaration must contain the full text of the provision to be
1044 amended and may not be revised or amended by reference only to
1045 the declaration title or number. Words to be added must be
1046 inserted in the text and underlined, and words to be deleted
1047 must be stricken with hyphens. However, if the proposed change
1048 is so extensive that this procedure would hinder, rather than
1049 assist, the understanding of the proposed amendment, it is not
1050 necessary to use underlined and stricken text as indicators of
1051 words added and deleted. Instead, a notation must be inserted
1052 immediately preceding the proposed amendment in substantially
1053 the following language: "Substantial rewording of declaration.
1054 See current provision for present text." An amendment to a
1055 declaration is effective when properly recorded in the public
1056 records of the county where the declaration is recorded.

1057 (e) A nonmaterial error or omission in the amendment
1058 process does not invalidate an otherwise properly adopted
1059 amendment.

1060 (f) An amendment to a recorded governing document is
1061 effective when properly recorded in the public records of the
1062 county in which the governing document is recorded.

1063 (g) An amendment prohibiting parcel owners from renting
1064 their homes, altering the duration of the rental term, or
1065 specifying or limiting the number of times that parcel owners

1066 are entitled to rent their homes during a specified period
1067 applies only to parcel owners who acquire title to their homes
1068 after the effective date of the amendment or to parcel owners
1069 who consent, individually or through a representative, to the
1070 amendment.

1071 (9) ELECTIONS AND BOARD VACANCIES.—

1072 (c) Any election dispute between a member and an
1073 association must be submitted to mandatory binding arbitration
1074 with the division. Such proceedings must be conducted in the
1075 manner provided by s. 718.1255 and the procedural rules adopted
1076 by the division. Unless otherwise provided in the bylaws, any
1077 vacancy occurring on the board before the expiration of a term
1078 may be filled by an affirmative vote of the majority of the
1079 remaining directors, even if the remaining directors constitute
1080 less than a quorum, or by the sole remaining director. In the
1081 alternative, a board may hold an election to fill the vacancy,
1082 in which case the election procedures must conform to the
1083 requirements of the governing documents. Unless otherwise
1084 provided in the bylaws, a board member appointed or elected
1085 under this section is appointed for the unexpired term of the
1086 seat being filled. Filling vacancies created by recall is
1087 governed by s. 720.303(11) ~~720.303(10)~~ and rules adopted by the
1088 division.

1089 Section 6. Subsection (1) of section 720.311, Florida
1090 Statutes, is amended to read:

1091 720.311 Dispute resolution.—

1092 (1) The Legislature finds that alternative dispute
1093 resolution has made progress in reducing court dockets and
1094 trials and in offering a more efficient, cost-effective option
1095 to litigation. The filing of any petition for arbitration or the
1096 serving of a demand for presuit mediation as provided for in
1097 this section shall toll the applicable statute of limitations.
1098 Any recall dispute filed with the department pursuant to s.
1099 720.303(11) ~~720.303(10)~~ shall be conducted by the department in
1100 accordance with the provisions of ss. 718.112(2)(j) and 718.1255
1101 and the rules adopted by the division. In addition, the
1102 department shall conduct mandatory binding arbitration of
1103 election disputes between a member and an association pursuant
1104 to s. 718.1255 and rules adopted by the division. Neither
1105 election disputes nor recall disputes are eligible for presuit
1106 mediation; these disputes shall be arbitrated by the department.
1107 At the conclusion of the proceeding, the department shall charge
1108 the parties a fee in an amount adequate to cover all costs and
1109 expenses incurred by the department in conducting the
1110 proceeding. Initially, the petitioner shall remit a filing fee
1111 of at least \$200 to the department. The fees paid to the
1112 department shall become a recoverable cost in the arbitration
1113 proceeding, and the prevailing party in an arbitration
1114 proceeding shall recover its reasonable costs and attorney's
1115 fees in an amount found reasonable by the arbitrator. The
1116 department shall adopt rules to effectuate the purposes of this
1117 section.

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Section 7. This act shall take effect July 1, 2016.