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LEGISLATIVE SUPPLEMENT "B" - SESSION LAW ABSTRACT

Year 1986	Session Law No. 86-175	IOF Cite	#pp
Prime Bill# SB 192	Sponsor	Comp./Sim. SB 140, SB 192*, SB 429*, SB 625 Bills HB 173, HB 661*, HB 1175	
JIMC Hist. Leg. Cites	Senate pp.#s	House pp.#s	#pp
Committee of Ref.	Senate ECCA House Judiciary	Previous versions?	

Committee Records

H/S	Committee	Year	Record Series: Folder Title, etc.	Location Cite	#pp
H	Judic	1986	all files: PCB 20	19/1451	X
"	"	"	" 173	"	3
"	"	"	" HB 661	19/1492	2
"	"	"	" HB 1175	"	17
S	ECCA	1986	Analyst file: SB 140	18/1522	1
"	"	"	" SB 192	"	1
"	"	"	" HB 1175	18/1521	X
"	"	"	all files: S.B. 140	18/153	
"	"	"	" SB 192, SB 429, SB 625	18/154	
"	"	"	" HB 1175	18/1516	X

Senate/House Journals

Page	?	Date	#pp	Page	?	Date	#pp

Tape Recordings

H/S	Floor	Committee/subcommittee	Date	# Tapes	Location Cite

Other Documentation

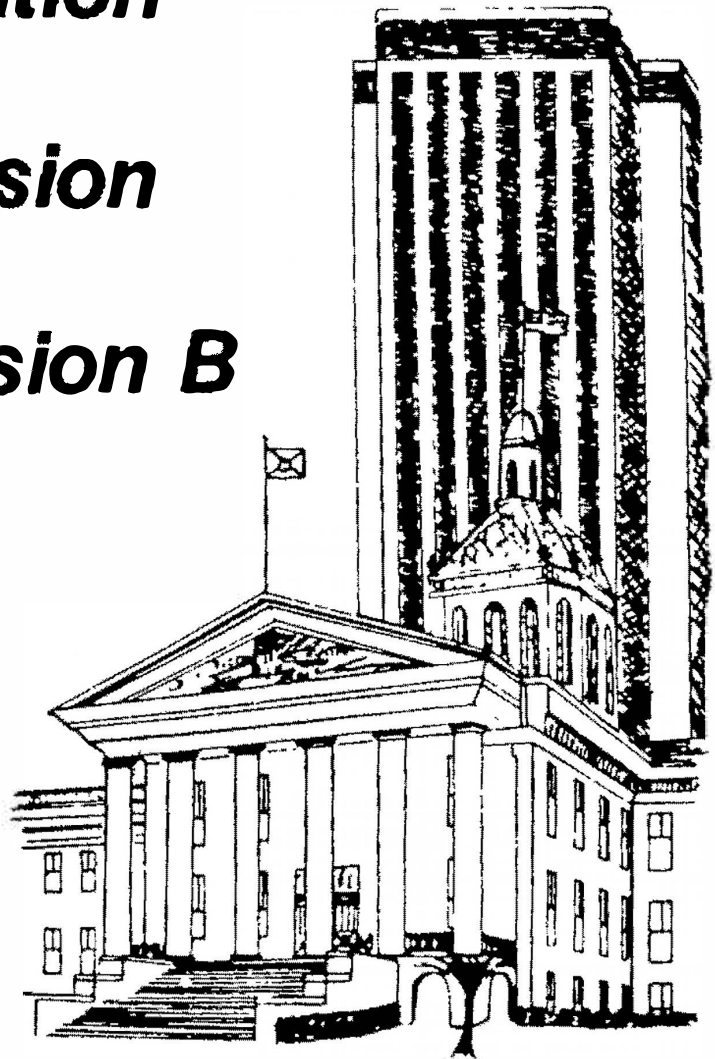
Record series title, folder title, etc.	Location Cite	#pp

FLORIDA LEGISLATURE

History of Legislation

1986 Regular Session

1986 Special Session B



prepared by:

Joint Legislative Management Committee

Legislative Information Division

Capitol Building, Room 826 – 488-4371

HISTORY OF SENATE BILLS

S 185 (CONTINUED)

- 04/08/86 SENATE Introduced, referred to Health and Rehabilitative Services, Governmental Operations, Finance, Taxation and Claims; Appropriations -SJ 21
- 04/22/86 SENATE Extension of time granted Committee Health and Rehabilitative Services
- 05/02/86 SENATE On Committee agenda—Health and Rehabilitative Services, 05/06/86, 2 00 pm, Room-A
- 05/05/86 SENATE Extension of time granted Committee Health and Rehabilitative Services
- 05/06/86 SENATE Comm Report CS by Health and Rehabilitative Services -SJ 243
- 05/08/86 SENATE CS read first time -SJ 244, Now in Governmental Operations -SJ 243
- 05/16/86 SENATE On Committee agenda—Governmental Operations, 05/20/86, 2 00 pm, Room-H
- 05/20/86 SENATE Comm Report Favorable by Governmental Operations -SJ 375
- 05/22/86 SENATE Now in Finance, Taxation and Claims -SJ 375
- 05/23/86 SENATE On Committee agenda—Finance, Taxation and Claims, 05/27/86, 2 00 pm, Room-1C
- 05/27/86 SENATE Comm Report Favorable by Finance, Taxation and Claims -SJ 470
- 05/29/86 SENATE Now in Appropriations -SJ 470
- 06/03/86 SENATE Extension of time granted Committee Appropriations
- 06/07/86 SENATE Died in Committee on Appropriations, Iden /Sim / Compare bill passed, refer to CS/HB 1313 (Ch. 86-220)

S 186 GENERAL BILL by Grant and others

Sexual Battery/Increased Penalties, increases penalties for certain sexual batteries, extends statute of limitations for certain sexual batteries committed before effective date of act Amends 794 011 Effective Date 10/01/86

- 01/09/86 SENATE Prefiled
- 01/20/86 SENATE Referred to Judiciary-Criminal, Appropriations
- 04/08/86 SENATE Introduced, referred to Judiciary-Criminal, Appropriations -SJ 21
- 04/10/86 SENATE On Committee agenda—Judiciary-Criminal, 04/14/86, 2 00 pm, Room-C—Temporarily postponed
- 04/21/86 SENATE Extension of time granted Committee Judiciary-Criminal
- 05/02/86 SENATE Extension of time granted Committee Judiciary-Criminal
- 05/16/86 SENATE Extension of time granted Committee Judiciary-Criminal
- 06/07/86 SENATE Died in Committee on Judiciary-Criminal

S 187 GENERAL BILL by Thurman (Identical H 197)

Legal Holidays/Memorial Day, amends provision re observance of Memorial Day Amends 683 01 Effective Date. Upon becoming law

- 01/09/86 SENATE Prefiled
- 01/20/86 SENATE Referred to Governmental Operations, Personnel, Retirement and Collective Bargaining; Rules and Calendar
- 04/08/86 SENATE Introduced, referred to Governmental Operations; Personnel, Retirement and Collective Bargaining, Rules and Calendar -SJ 21
- 04/22/86 SENATE Extension of time granted Committee Governmental Operations
- 05/02/86 SENATE On Committee agenda—Governmental Operations, 05/06/86, 2:00 pm, Room-H—Not reached
- 05/06/86 SENATE Extension of time granted Committee Governmental Operations
- 05/08/86 SENATE On Committee agenda—Governmental Operations, 05/12/86, 2 00 pm, Room-H—On reconsideration
- 05/16/86 SENATE On Committee agenda—Governmental Operations, 05/20/86, 2 00 pm, Room-H
- 05/20/86 SENATE Comm Report Unfavorable by Governmental Operations, laid on table under Rule -SJ 375

S 188 GENERAL BILL by Thurman and others (Similar ENG/H 212)

Water Mgmt. District Headquarters, provides for district headquarters; authorizes lease or purchase of certain buildings or land, repeals provision re location of principal office of a water management district. Creates 373 618, repeals 373 079(6) Effective Date Upon becoming law

- 01/09/86 SENATE Prefiled
- 01/20/86 SENATE Referred to Natural Resources and Conservation; Governmental Operations, Appropriations
- 04/08/86 SENATE Introduced, referred to Natural Resources and Conservation, Governmental Operations, Appropriations -SJ 21
- 04/22/86 SENATE Extension of time granted Committee Natural Resources and Conservation
- 05/06/86 SENATE Extension of time granted Committee Natural Resources and Conservation
- 05/22/86 SENATE Extension of time granted Committee Natural Resources and Conservation
- 06/07/86 SENATE Died in Committee on Natural Resources and Conservation

S 189 GENERAL BILL by Thurman (Identical H 213)

Water Resources/Transporting, provides that governing board of water management district & DER may authorize certain permit holders to transport & use ground or surface water beyond overlying land, across county boundaries, or out-

S 189 (CONTINUED)

side watershed in which it is taken, under certain circumstances, provides criteria Amends 373 223 Effective Date 10/01/86

- 01/09/86 SENATE Prefiled
- 01/20/86 SENATE Referred to Natural Resources and Conservation
- 04/08/86 SENATE Introduced, referred to Natural Resources and Conservation -SJ 21
- 04/22/86 SENATE Extension of time granted Committee Natural Resources and Conservation
- 05/06/86 SENATE Extension of time granted Committee Natural Resources and Conservation
- 05/22/86 SENATE Extension of time granted Committee Natural Resources and Conservation
- 06/07/86 SENATE Died in Committee on Natural Resources and Conservation

S 190 GENERAL BILL by Thurman (Identical H 211)

Water Mgmt. Districts/Basin Taxes, clarifies language re basin taxes levied by governing boards of water management districts Amends 373 0697 Effective Date Upon becoming law

- 01/09/86 SENATE Prefiled
- 01/20/86 SENATE Referred to Natural Resources and Conservation, Finance, Taxation and Claims
- 04/08/86 SENATE Introduced, referred to Natural Resources and Conservation, Finance, Taxation and Claims -SJ 21
- 04/22/86 SENATE Extension of time granted Committee Natural Resources and Conservation
- 04/29/86 SENATE Withdrawn from Natural Resources and Conservation, Finance, Taxation and Claims, Indefinitely postponed -SJ 172

S 191 GENERAL BILL by McPherson and others (Compare CS/ENG/H 83, H 126, CS/S 77)

Nonresident Fishing License, (THIS BILL COMBINED IN CS/S 77,191) provides for temporary freshwater fishing license for nonresidents, provides fees Amends 372 57 Effective Date 10/01/86

- 01/10/86 SENATE Prefiled
- 01/20/86 SENATE Referred to Natural Resources and Conservation, Finance, Taxation and Claims
- 04/08/86 SENATE Introduced, referred to Natural Resources and Conservation, Finance, Taxation and Claims -SJ 21
- 04/22/86 SENATE Extension of time granted Committee Natural Resources and Conservation
- 05/06/86 SENATE Extension of time granted Committee Natural Resources and Conservation
- 05/22/86 SENATE Extension of time granted Committee Natural Resources and Conservation
- 05/23/86 SENATE On Committee agenda—Natural Resources and Conservation, 05/27/86, 9 00 am, Room-H
- 05/27/86 SENATE CS combines this bill and 77, Comm Report. CS by Natural Resources and Conservation -SJ 470
- 05/29/86 SENATE Original bill laid on Table under Rule, refer to combined CS/ SB 77 (Laid on Table), Refer to CS/HB 83 (Vetoed by Governor - 06/26/86) -SJ 471

S 192 GENERAL BILL/CS/ENG by Economic, Community and Consumer Affairs; Jenne and others (Similar H 1175, S 140, Compare CS/ENG/H 173, H 410, H 661, H 745, S 155, S 429, S 876)

Condominiums & Cooperatives, allows condo assn to file with property appraisal adjustment board a joint petition on behalf of certain members, authorizes condo assn to defend actions in eminent domain, revises language re official records, bylaws, common expense & assessments, amends provisions re cooperatives regarding common expense, rent & assessment, rights of owners to peaceably assemble & separate taxation of parcels, etc Amends Chs 194, 718, 719 Effective Date 10/01/86 except as otherwise provided

- 01/10/86 SENATE Prefiled
- 01/20/86 SENATE Referred to Economic, Community and Consumer Affairs
- 04/08/86 SENATE Introduced, referred to Economic, Community and Consumer Affairs -SJ 22
- 04/21/86 SENATE Extension of time granted Committee Economic, Community and Consumer Affairs
- 04/23/86 SENATE Extension of time granted Committee Economic, Community and Consumer Affairs
- 05/06/86 SENATE On Committee agenda—Economic, Community and Consumer Affairs, 05/08/86, 1 00 pm, Room-H, Extension of time granted Committee Economic, Community and Consumer Affairs
- 05/08/86 SENATE Comm Report CS by Economic, Community and Consumer Affairs, placed on Calendar -SJ 280
- 05/15/86 SENATE CS read first time -SJ 281
- 05/22/86 SENATE Placed on Special Order Calendar -SJ 375, Amendments adopted -SJ 379
- 05/28/86 SENATE Placed on Special Order Calendar -SJ 400, CS passed as amended, YEAS 35 NAYS 0 -SJ 416
- 05/29/86 HOUSE In Messages

HISTORY OF SENATE BILLS

S 192 (CONTINUED)

06/03/86 HOUSE Received, placed on Calendar -HJ 719, Read second time, Amendments adopted -HJ 737, Amendment pending -HJ 742, Pending amendment withdrawn, Read third time, CS passed as amended, YEAS 113 NAYS 0 -HJ 775

06/04/86 SENATE In Messages

06/05/86 SENATE Amendment to House amendment adopted, Concurred in House amendment as amended, Requested House to concur, Concurred in one amendment, CS passed as amended, YEAS 31 NAYS 0 -SJ 0665 -SJ 683

06/05/86 HOUSE In Messages

06/06/86 HOUSE Refused to concur in Senate amendment to House amendment, Amendments to House amendments adopted, CS passed as further amended, YEAS 96 NAYS 0 -HJ 1042

06/06/86 SENATE In Messages, Receded from amendment to House amendment, Concurred, CS passed as amended; YEAS 35 NAYS 0 -SJ 811

06/06/86 Ordered engrossed, then enrolled -SJ 811

06/18/86 Signed by Officers and presented to Governor

07/01/86 Approved by Governor, Chapter No. 86-175

S 193 GENERAL BILL/CS by Transportation, Grant (Similar H 775)

Commercial Vehicle/Weight Violation, provides for issuance of uniform traffic citation for weight or registration violations by vehicles engaged in intrastate commerce, provides for temporary impoundment, provides for notice of impoundment & sale, for assessment of storage fees, & for redemption of vehicles. Amends 316 545 Effective Date 10/01/86.

01/10/86 SENATE Prefiled

01/20/86 SENATE Referred to Transportation

02/17/86 SENATE On Committee agenda—Transportation, 03/05/86, 9:00 am, Room-C

03/05/86 SENATE Comm Report. CS by Transportation, placed on Calendar

04/08/86 SENATE Introduced, referred to Transportation -SJ 22, Comm Report: CS by Transportation, placed on Calendar -SJ 48, CS read first time -SJ 47

04/15/86 SENATE Withdrawn from Calendar, rereferred to Appropriations -SJ 101

05/06/86 SENATE Extension of time granted Committee Appropriations

05/21/86 SENATE Extension of time granted Committee Appropriations

06/03/86 SENATE Extension of time granted Committee Appropriations

06/07/86 SENATE Died in Committee on Appropriations

S 194 GENERAL BILL/CS/ENG by Health and Rehabilitative Services; Grant and others (Similar H 448)

Child Abuse Investigations, allows certain school instructional staff members to be present at initial interviews with children in certain child protective & criminal investigations, prohibits school personnel from being present at investigations under any other circumstances; prohibits disclosure of information; provides for confidentiality, prohibits schools or school instructional staff from maintaining records, etc. Amends 415 505 Effective Date 07/01/86.

01/10/86 SENATE Prefiled

01/20/86 SENATE Referred to Health and Rehabilitative Services

04/08/86 SENATE Introduced, referred to Health and Rehabilitative Services -SJ 22, On Committee agenda—Health and Rehabilitative Services, 04/09/86, 9:00 am, Room-A

04/09/86 SENATE Comm. Report. CS by Health and Rehabilitative Services, placed on Calendar -SJ 69

04/11/86 SENATE CS read first time -SJ 83

04/29/86 SENATE Placed on Special Order Calendar -SJ 158

05/01/86 SENATE Placed on Special Order Calendar -SJ 178

05/06/86 SENATE Placed on Special Order Calendar -SJ 194, CS passed, YEAS 38 NAYS 0 -SJ 210

05/08/86 HOUSE In Messages

05/09/86 HOUSE Received, referred to Criminal Justice -HJ 303

05/21/86 HOUSE Withdrawn from Criminal Justice -HJ 469, Placed on Calendar

05/27/86 HOUSE Placed on Special Order Calendar

05/29/86 HOUSE Read second time, Amendment adopted -HJ 596

05/30/86 HOUSE Read third time, CS passed as amended, YEAS 114 NAYS 0 -HJ 635

05/30/86 SENATE In Messages

06/02/86 SENATE Concurred, CS passed as amended; YEAS 28 NAYS 0 -SJ 552

06/02/86 Ordered engrossed, then enrolled -SJ 552

06/25/86 Signed by Officers and presented to Governor

07/01/86 Approved by Governor, Chapter No. 86-176

S 195 GENERAL BILL by Weinstein and others (Compare CS/ENG/H 302)

Reading Resource Specialists, deletes language re appointments of reading specialists to serve in dual capacity, specifies responsibilities of reading resource specialists. Amends 233 057 Effective Date Upon becoming law

01/15/86 SENATE Prefiled

01/20/86 SENATE Referred to Education

04/08/86 SENATE Introduced, referred to Education -SJ 22

04/14/86 SENATE On Committee agenda—Education, 04/16/86, 9:00 am, Room-A

S 195 (CONTINUED)

04/16/86 SENATE Comm Report Favorable with 1 amendment(s) by Education placed on Calendar -SJ 102

05/30/86 SENATE Placed on Special Order Calendar -SJ 512, Amendments adopted, Iden/Sim House Bill substituted -SJ 527, Laid on table under Rule, Iden/Sim/Compare Bill passed refer to CS/HB 302 (Ch. 86-261) -SJ 530

S 196 GENERAL BILL by Stuart and others (Identical H 77)

Form Management/Standard Sizes, prohibits purchase of certain forms, bond paper, legal pads, & file cabinets, requires agencies to review existing forms, requires Archives, History & Records Mgt. Div. of State Dept. to establish standards & guidelines, prohibits use of certain forms, bond paper, & legal pads after certain date, authorizes continued use of certain file cabinets. Creates 287 088 Effective Date Upon becoming law

01/15/86 SENATE Prefiled

01/20/86 SENATE Referred to Governmental Operations, Appropriations, Rules and Calendar

04/08/86 SENATE Introduced, referred to Governmental Operations, Appropriations, Rules and Calendar -SJ 22

04/17/86 SENATE On Committee agenda—Governmental Operations, 04/21/86, 2:00 pm, Room-H

04/21/86 SENATE Comm Report Favorable by Governmental Operations -SJ 120

04/22/86 SENATE Now in Appropriations -SJ 120

05/06/86 SENATE Extension of time granted Committee Appropriations

05/14/86 SENATE Withdrawn from Appropriations -SJ 278, Now in Rules and Calendar

05/16/86 SENATE Extension of time granted Committee Rules and Calendar

05/30/86 SENATE Extension of time granted Committee Rules and Calendar

06/07/86 SENATE Died in Committee on Rules and Calendar

S 197 GENERAL BILL by Carlucci (Similar CS/S 258, Compare CS/H 354, H 1053, S 1017)

Jurors & Witnesses/Compensation, provides for incremental increase in daily compensation & mileage allowance for jurors, allows State Courts Administrator rather than Comptroller to apportion appropriation, requires that, under certain circumstances, reimbursement for juror & witness payment shall not exceed amount apportioned to each county, etc. Amends 40 24, 31, 32, 34, repeals 40 29, 30, 33 Effective Date 10/01/86.

01/16/86 SENATE Prefiled

01/21/86 SENATE Referred to Judiciary-Civil, Appropriations

02/03/86 SENATE Comm Report Recommends not passed by Judiciary-Civil, laid on Table pursuant to Rule 2 18

04/08/86 SENATE Introduced, referred to Judiciary-Civil, Appropriations, Comm Report Recommends not passed by Judiciary-Civil, laid on Table pursuant to Rule 2 18 -SJ 22

S 198 GENERAL BILL by Dunn (Similar H 948)

Veterans' Nursing Home Facilities, provides for establishment of demographic needs assessment for said facilities, provides guidelines, provides limitation on size of such facilities, requires Veterans' Affairs Div. of D O A to report its findings to Legislature Effective Date 07/01/86, or upon becoming law, whichever occurs later

01/17/86 SENATE Prefiled

01/21/86 SENATE Referred to Economic, Community and Consumer Affairs, Appropriations

04/08/86 SENATE Introduced, referred to Economic, Community and Consumer Affairs, Appropriations -SJ 22

04/10/86 SENATE On Committee agenda—Economic, Community and Consumer Affairs, 04/14/86, 2:00 pm, Room-H

04/14/86 SENATE Comm Report Favorable by Economic, Community and Consumer Affairs -SJ 86

04/15/86 SENATE Now in Appropriations -SJ 86

05/06/86 SENATE Extension of time granted Committee Appropriations

05/21/86 SENATE Extension of time granted Committee Appropriations

06/02/86 SENATE Withdrawn from Appropriations -SJ 534, Placed on Calendar

06/07/86 SENATE Died on Calendar

S 199 GENERAL BILL by Crawford

Decedents' Estates/Administration, provides that person who is not domiciled in this state, but who is child of person to whom decedent was married at time decedent's will or codicil nominating such child as personal representative was executed, may qualify as personal representative. Amends 733 304 Effective Date Upon becoming law

01/17/86 SENATE Prefiled

01/21/86 SENATE Referred to Judiciary-Civil

04/08/86 SENATE Introduced, referred to Judiciary-Civil -SJ 22

04/14/86 SENATE On Committee agenda—Judiciary-Civil, 04/16/86, 9:00 am, Room-B

04/16/86 SENATE Comm Report Favorable by Judiciary-Civil, placed on Calendar -SJ 102

05/08/86 SENATE Placed on Consent Calendar -SJ 216, Passed, YEAS 37 NAYS 0 -SJ 224

05/13/86 HOUSE In Messages

05/19/86 HOUSE Received, referred to Judiciary -HJ 419

06/07/86 HOUSE Died in Committee on Judiciary

HISTORY OF HOUSE BILLS

H 166 (CONTINUED)

stances to minor; prohibits probation, parole, or gain-time until such sentence is served Amends 893 13 Effective Date 10/01/86
 12/10/85 HOUSE Prefiled
 01/07/86 HOUSE Referred to Criminal Justice, Appropriations
 04/08/86 HOUSE Introduced, referred to Criminal Justice, Appropriations -HJ 29
 06/07/86 HOUSE Died in Committee on Criminal Justice

H 169

12/16/85 HOUSE Withdrawn -HJ 29

H 170 GENERAL BILL/ENG by Sample and others (Identical CS/S 392, Compare ENG/H 1314, CS/ENG/S 931)

Homestead Exempt/Annual Application; authorizes counties to waive requirement for annual application for homestead exemption; provides for application of certain lien provisions, provides for taxes & interest on certain persons not entitled to homestead exemption, applies to assessment rolls for 1987 & thereafter Amends 196.131, 161 Effective Date Upon becoming law.

12/10/85 HOUSE Prefiled
 01/07/86 HOUSE Referred to Finance & Taxation, Appropriations
 01/17/86 HOUSE On subcommittee agenda—Finance & Taxation, 02/06/86, 1 30 pm, 314 HOB
 04/08/86 HOUSE Introduced, referred to Finance & Taxation, Appropriations -HJ 29
 04/14/86 HOUSE On Committee agenda—Finance & Taxation, 04/16/86, 1 15 pm, Morris Hall
 04/16/86 HOUSE Preliminary Committee Action by Finance & Taxation: Favorable, with 3 amendments
 04/17/86 HOUSE Comm. Report: Favorable with 3 amendment(s) by Finance & Taxation -HJ 158; Now in Appropriations
 04/28/86 HOUSE Withdrawn from Appropriations -HJ 195; Placed on Calendar
 05/05/86 HOUSE Placed on Special Order Calendar
 05/06/86 HOUSE Read second time, Amendments adopted -HJ 267
 05/07/86 HOUSE Read third time, Passed as amended, YEAS 118 NAYS 0 -HJ 280
 05/08/86 HOUSE Immediately certified -HJ 287
 05/08/86 SENATE In Messages
 06/19/86 SENATE Received, referred to Finance, Taxation and Claims -SJ 320
 06/02/86 SENATE Extension of time granted Committee Finance, Taxation and Claims
 06/07/86 SENATE Died in Committee on Finance, Taxation and Claims, Iden./Sim./Compare bill passed, refer to HB 1314 (Ch 86-300)

H 171 GENERAL BILL/ENG by Ros-Lehtinen and others (Similar S 572)

Worthless Checks/Identity Evidence, changes certain requirements upon prima facie evidence of identity of person issuing worthless check. Amends 832.07 Effective Date 10/01/86

12/10/85 HOUSE Prefiled
 01/07/86 HOUSE Referred to Criminal Justice
 04/03/86 HOUSE Subreferred to Subcommittee on Crimes and Penalties
 04/08/86 HOUSE Introduced, referred to Criminal Justice -HJ 29, Subreferred to Subcommittee on Crimes and Penalties, On subcommittee agenda—Criminal Justice, 04/09/86, 3 30 pm, 314 HOB
 04/10/86 HOUSE On Committee agenda—Criminal Justice, 04/14/86, 1:15 pm, 314 HOB
 04/14/86 HOUSE Preliminary Committee Action by Criminal Justice: Favorable, with 1 amendment, to Calendar
 04/17/86 HOUSE Comm. Report: Favorable with 1 amendment(s) by Criminal Justice, placed on Calendar -HJ 158
 04/22/86 HOUSE Placed on Special Order Calendar
 04/29/86 HOUSE Read second time, Amendment adopted -HJ 199
 04/30/86 HOUSE Read third time, Passed as amended; YEAS 113 NAYS 0 -HJ 209; Immediately certified
 04/30/86 SENATE In Messages
 05/01/86 SENATE Received, referred to Judiciary-Criminal -SJ 183
 05/16/86 SENATE Extension of time granted Committee Judiciary-Criminal
 06/03/86 SENATE Withdrawn from Judiciary-Criminal, Substituted for SB 572, Passed, YEAS 32 NAYS 0 -SJ 608
 06/03/86 Ordered enrolled
 06/27/86 Signed by Officers and presented to Governor
 07/01/86 Approved by Governor; Chapter No. 86-198

H 172 GENERAL BILL by Bell; Sanderson and others (Compare CS/ENG/H 1344, S 349, CS/CS/ENG/S 465, S 592, S 701, S 702, S 1120)

Civil Actions/Comparative Negligence, provides for liability for damages based upon degree of fault, provides for elimination of joint & several liability in negligence actions, applies to all causes of action pending at time of passage in which proportionate fault is an issue, & to all cases filed thereafter Effective Date Upon becoming law.

12/12/85 HOUSE Prefiled
 01/07/86 HOUSE Referred to Commerce, Appropriations
 01/08/86 HOUSE Subreferred to Subcommittee on General Commerce

H 172 (CONTINUED)

02/14/86 HOUSE On subcommittee agenda—Commerce, 03/05/86, 9:00 am, 317C
 03/05/86 HOUSE Subcommittee Recommendation pending ratification by full Committee Favorable, with 2 amendments
 04/08/86 HOUSE Introduced, referred to Commerce, Appropriations -HJ 29, Subreferred to Subcommittee on General Commerce, On Committee agenda—Commerce, 04/10/86, 10 00 am, 317C
 04/11/86 HOUSE Comm Report Favorable with 2 amendment(s) by Commerce -HJ 114, Now in Appropriations
 04/21/86 HOUSE Withdrawn from Appropriations -HJ 166, Placed on Calendar
 06/07/86 HOUSE Died on Calendar, Iden./Sim./Compare Bill passed, refer to CS/CS/SB 465 (Ch 86-160)

H 173 GENERAL BILL/CS/ENG by Judiciary; Lippman; Tobin; Rochlin; Kimmel; Lombard; Dunbar; Dudley; Souto; Drage and others (Compare H 410, H 661, H 745, H 1175, S 140, S 155, CS/ENG/S 192, S 429)

Condominiums & Cooperatives, (THIS BILL COMBINED IN CS/H 173.410.661) provides that use of power of attorney that affects any aspect of operation of condominium or cooperative shall be subject to certain requirements, authorizes condominium association to take part in actions in eminent domain, revises language re insurance, official records, & annual budget, etc Amends Chs 194, 718, 719; repeals 718.302(1)(a). Effective Date: 10/01/86

12/16/85 HOUSE Prefiled
 01/07/86 HOUSE Referred to Judiciary
 04/08/86 HOUSE Introduced, referred to Judiciary -HJ 29
 04/11/86 HOUSE On Committee agenda—Judiciary, 04/15/86, 1 15 pm, 214C
 04/15/86 HOUSE Preliminary Committee Action by Judiciary Favorable, as a Committee Substitute, combined with HB 410 & 661
 04/25/86 HOUSE Comm Report CS by Judiciary -HJ 188, CS combines this bill and 410&661, combined C/S additional reference(s) Appropriations; Now in Appropriations
 05/08/86 HOUSE Withdrawn from Appropriations -HJ 299, Placed on Calendar
 05/27/86 HOUSE Placed on Special Order Calendar
 05/29/86 HOUSE CS read first and second times, Amendments adopted -HJ 590
 05/30/86 HOUSE Read third time, Amendment reconsidered, withdrawn, CS passed as amended; YEAS 103 NAYS 1 -HJ 628
 05/30/86 SENATE In Messages
 06/03/86 SENATE Received, referred to Economic, Community and Consumer Affairs; Judiciary-Civil -SJ 567
 06/07/86 SENATE Died in Committee on Economic, Community and Consumer Affairs, Iden./Sim./Compare bill passed, refer to CS/SB 192 (Ch 86-175)

H 174 GENERAL BILL/CS by Transportation; Stewart (Similar S 370)

School Bus Passing/Penalties, increases penalties for illegally passing a stopped school bus, provides amount of civil penalty, provides authority to suspend or revoke license, provides for period of suspension or revocation Amends 316 172, 318 18, 322 27, 28 Effective Date 10/01/86

12/17/85 HOUSE Prefiled
 01/07/86 HOUSE Referred to Transportation, Appropriations
 04/08/86 HOUSE Introduced, referred to Transportation, Appropriations -HJ 29
 04/17/86 HOUSE On Committee agenda—Transportation, 04/21/86, 1 15 pm, 214C—For subreferral
 04/21/86 HOUSE Subreferred to Subcommittee on Transportation Safety and Motor Vehicles; On subcommittee agenda—Transportation, 04/23/86, 8:30 am, 214C
 04/23/86 HOUSE Subcommittee Recommendation pending ratification by full Committee Favorable, with 6 amendments
 04/24/86 HOUSE On Committee agenda—Transportation, 04/28/86, 1 15 pm, 214C
 04/28/86 HOUSE Preliminary Committee Action by Transportation Favorable, as a Committee Substitute
 05/02/86 HOUSE Comm Report CS by Transportation -HJ 244, Now in Appropriations
 05/12/86 HOUSE Withdrawn from Appropriations -HJ 350; Placed on Calendar
 06/05/86 HOUSE Placed on Special Order Calendar
 06/06/86 HOUSE CS read first and second times, Read third time, CS passed, YEAS 107 NAYS 0 -HJ 1116
 06/06/86 SENATE In Messages
 06/07/86 SENATE Died in Messages

H 175 GENERAL BILL/CS/CS/ENG by Appropriations, Transportation; Evans-Jones; Gardner; Bloom and others (Similar H 60, CS/CS/S 105)

Motor Vehicle Safety Equipment, authorizes D O T to issue special permits for semitrailers for overweight deliveries of manufactured buildings, directs H S M V to prepare affidavit of compliance forms re certain traffic violations, provides \$25 fine for certain violations & for reduced fine where defect is corrected, provides points for operation of certain motor vehicles in unsafe condition, etc Amends 316 515, 650, 318 18 322 27, creates 316 6105 Effective Date 10/01/86

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DATE: May 7, 1986

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SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

<u>ANALYST</u>	<u>STAFF DIRECTOR</u>	<u>REFERENCE</u>	<u>ACTION</u>
1. <u>Balke</u>	<u>Buck</u>	1. <u>ECCA</u>	<u>Fav./CS</u>
3. _____	_____	2. _____	_____
_____	_____	3. _____	_____
SUBJECT:		BILL NO. AND SPONSOR:	
Condominiums		CS/SB 192 by ECCA, Senator Jenne and others	

I. SUMMARY:

A. Present Situation:

Chapter 718, F.S., is the Condominium Act. The Act gives statutory recognition to the condominium form of ownership of real property and establishes procedures for the creation, sale, and operation of condominiums.

The chapter provides a short title (s.718.101, F.S.), states the purpose of the chapter (s.718.102, F.S.), and provides definitions (s.718.103, F.S.). The chapter provides for the creation of condominiums (s.718.104, F.S.), time-share estates (s.718.1045, F.S.), for the recording of the declaration (s.718.105, F.S.), condominium parcels (s.718.106, F.S.), for the restraint upon separation (s.718.107, F.S.), common elements (s.718.108, F.S.), legal description of parcels (s.718.109, F.S.), and the amendment of the declaration (s.718.110, F.S.). The act also provides for an association (s.718.111, F.S.), bylaws, (s.718.112, F.S.), failure to fill board of administration vacancies (s.718.1124, F.S.), maintenance (s.718.113, F.S.), association powers (s.718.114, F.S.), common expenses (s.718.115, F.S.), assessments (s.718.116, F.S.), termination (s.718.117, F.S.), equitable relief (s.718.118, F.S.), limitation of liability (s.718.119, F.S.), separate taxation of parcels (s.718.120, F.S.), and liens (s.718.121, F.S.). The act establishes guidelines for determining the unconscionability of certain leases (s.718.122, F.S.), provides for the applicability of the Federal Condominium and Cooperative Abuse Relief Act of 1980 (s.718.1225, F.S.), the right of owners to peaceably assemble (s.718.123, F.S.), cable television service (s.718.1232, F.S.), limitation on actions by the association (s.718.124, F.S.), attorney's fees (s.718.125, F.S.), and the voluntary arbitration of disputes (s.718.1255, F.S.).

Chapter 719, Florida Statutes, is the Cooperative Act. The Act gives statutory recognition to the cooperative form of ownership of real property.

The chapter provides a short title (s.719.101, F.S.), a statement of purpose (s.719.102, F.S.), and definitions (s.719.103, F.S.). The chapter provides guidelines for access to the units, records, and reports of the cooperative (s.719.104, F.S.); for cooperative parcels (s.719.105, F.S.); bylaws (s.719.106, F.S.); failure to fill board of administration vacancies (s.719.1064, F.S.); and common expenses (s.719.107, F.S.). The act also provides for rents and assessments (s.719.108, F.S.), the right of owners to peaceably assemble (s.719.109, F.S.), limitation on actions by the association (s.719.110, F.S.), attorney's fees (s.719.111, F.S.), and guidelines to determine the unconscionability of certain leases (s.719.112, F.S.).

B. Effect of Proposed Changes:

The bill creates s.718.1035, F.S., and s.719.1035, F.S., which clarify that the use of a power of attorney is subject to the provisions of the Condominium and Cooperative Acts, respectively, as well as to all condominium or cooperative documents and rules in force at the time the power of attorney was executed.

Section 718.111, F.S., is amended to empower condominium associations to participate in actions in eminent domain; to include ballots, sign-in sheets, and all other papers relating to elections, as documents constituting the association's official records and to require the division to adopt rules requiring the association to deliver to unit owners a financial statement for the preceding fiscal year.

Section 718.112, F.S., is amended to delete language regarding the vote required to amend the bylaws; to state that with regard to the transfer fee that may be charged by the association to approve the sale or lease of a unit, a husband and wife or a parent and dependent children are to be considered as one applicant and therefore only one fee may be charged in such instances; and to provide that internal disputes requiring voluntary binding arbitration shall include those involving developers, as well as unit owners, associations, and their agents and assigns.

Section 718.116, F.S., is amended to provide that an association's lien on a condominium parcel expires if a claim of lien is not filed within one year of the date the assessment was due; and that a recorded assessment lien is superior to all other liens on a unit except real estate taxes and other governmental assessments and liens recorded before the recording of the declaration.

Section 718.3025, F.S., is amended to exclude contracts for services, such as those involving coin-operated laundry, food, soft drink, and telephone vendors, made for the benefit of unit owners by lessees or licensees of the association, from the statutory requirements of the section.

Section 718.501, F.S., is amended to require the division to adopt uniform accounting standards to be used by all associations in preparing their required financial statements.

Section 718.608, F.S., is amended to require that a tenant is entitled to terminate his rental agreement after notice of conversion of an apartment to condominium if the agreement has an unexpired term of 180 days or less.

The balance of this bill generally makes the parallel changes in the Cooperative Act, where appropriate, that were previously made to the Condominium Act. These include:

1. Redefining the term "developer" to exclude condominium associations which create a cooperative by conversion of an existing condominium if the unit owners are to be the same people. (s.719.103(12), F.S.)

2. Defining the terms "conspicuous type," "limited common areas," and "common areas." (s.719.103, F.S.)

3. Designating what constitutes the official records of the cooperative along with a requirement that such records be open to inspection and copying by members of the association.

4. The association is granted the power to make and collect assessments, but is prohibited from charging a use fee

of a unit owner for use of any of the common areas.
(s.719.104(5), F.S.)

5. The association is granted the power to purchase land or recreational leases. If the cooperative documents do not otherwise provide for such acquisitions, the vote required to approve the purchase shall be the same as that which would be required to amend the documents to permit the purchase.
(s.719.104(6), F.S.)

6. Voting rights are made an appurtenance to the cooperative parcel. (s.719.105(1)(a).)

7. Notice of the annual meeting may be mailed by regular mail or hand delivered to each unit owner if an officer of the association provides an affidavit stating that the notice was mailed or hand delivered to the address last furnished to the association. (s.719.106(1)(d), F.S.)

8. The budget adopted by the board of directors shall go into effect if a meeting of unit owners was called and a quorum was not attained or a substitute budget was not adopted.
(s.719.106(1)(f), F.S.)

9. Mandatory arbitration is imposed when the board of directors fails to certify the recall of a board member or the recall vote is disputed. (s.719.106(1)(f), F.S.)

10. Fees may not be charged relating to the transfer of a unit (such as for approvals for sale or lease of a unit) unless provided for in the cooperative documents. If so provided, the fee may not exceed \$50, and no charge shall be made for renewals of leases with the same lessee. (s.719.106(1)(i), F.S.)

11. If unit owners meet to determine to provide no reserves for capital expenditures, or reserves less adequate than required, and such result or a quorum is not attained, the reserves included in the budget go into effect.
(s.719.106(1)(j), F.S.)

12. For cooperatives with over 50 units, officers and directors must be bonded for no less than \$10,000 each.
(s.719.106(1)(k), F.S.)

13. Cooperatives must provide for voluntary binding arbitration of internal disputes. (s.719.106(1)(l), F.S.)

14. If the cooperative documents do not provide for a rate of interest on past due rents and assessment, interest shall accrue at 18 percent per annum. (s.719.108(3), F.S.)

15. Provision is made for excusing the developer from the payment of common expenses where the level of assessments is guaranteed. (s.719.108(8), F.S.)

16. The specific purpose of any special assessment must be set forth in a written notice delivered to each unit owner. If the funds are not used for the purpose indicated in the notice, they shall be returned to the unit owners. (s.719.108(9), F.S.)

17. Ad valorem taxes are to be assessed against the cooperative parcels and not the cooperative property as a whole. (s.719.114, F.S.)

18. The Division of Land Sales, Condominiums, and Mobile Homes of the Department of Business Regulation is directed to establish a procedure for the voluntary arbitration of internal

disputes. Upon request, a trial de novo is provided, and the decision of the arbitrator is admissible in evidence. (s.715.1255, F.S.)

19. Failure to establish an escrow account is prima facie evidence of an intentional violation of this section. (s.719.202(7), F.S.)

20. Escrow agents appointed to take sales or reservation deposits are required to be independent of the developer. (s.719.202(8), F.S.)

21. The developer may elect at least one board member of the association if he holds for sale at least 5 percent in a cooperative with fewer than 500 units or 2 percent in a cooperative with 500 or more units. (s.719.301(1), F.S.)

22. The developer is liable for expenses related to relinquishing control to the association. (s.719.301(4), F.S.)

23. Prior to turnover of control of the association to the unit owners the developer is responsible for violations of chapter 719, F.S., or the rules adopted by the division. (s.719.301(5), F.S.)

24. Any contract made by the developer or the association while it is still developer controlled, which requires the association to purchase cooperative property or lease cooperative property to another party, is deemed ratified unless rejected by the unit owners within 18 months of turnover. (s.719.302(2), F.S.)

25. The prevailing party in an action wherein the buyer claims a right of voidability based upon contractual provisions is entitled to attorney's fees. (s.719.303(1), F.S.)

26. If the cooperative documents so allow, the association may levy fines against unit owners for failure to comply with the documents or rules of the cooperative. No fine shall exceed \$50 and no fine shall become a lien against a unit. (s.719.303(3), F.S.)

27. Provisions relating to cooperatives on leased land do not apply if the lessor is the U.S. government or the state, a political subdivision, or agency thereof. (s.719.401(3), F.S.)

28. The provision prohibiting the inclusion of escalation clauses in a cooperative agreement does not apply if the lessor is one of above listed governmental entities. (s.719.401(8), F.S.)

29. If the rent under the lease is fixed and payable by the association or unit owners, the division director may accept alternative assurances sufficient to secure the payment of rent. (s.719.401(9), F.S.)

30. Phase development of a cooperative would be permitted not only if provided for originally in the documents, but also by amendment to the documents if such amendment is approved by all of the unit owners and mortgagees. (s.719.403(1), F.S.)

31. The provisions relating to phase cooperatives are amended to (s.719.403(2), F.S.):

a. permit modifications to the unit or building type to the extent described in the documents;

b. provide that square footage figures may be given as maximums and minimums, but that the difference between the minimum and maximum square footage may not be greater than 20 percent of the maximum;

c. allow a formula to be used in reallocating the proportion of ownership in the common areas, sharing common expenses and owning common surplus;

d. permit the developer to reserve the right to add additional recreational facilities if the original declaration contains a description and proposed location;

e. provide that if time-share estates are to be created with respect to any units, the minimum duration of the reoccurring periods of rights of use must be specified.

32. Provides that any amendment by the developer to a phase shall be consistent with the provisions of the documents. Any such amendment shall contain, among other things, a legal description of the land being added, an identification of each unit, a survey of the land to be added, a graphic description of the improvements, a plot plan, and a surveyor's certificate. (s.719.403(6), F.S.)

33. Requires the division to establish procedures for providing an association notice when the division is considering the issuance of a declaratory statement relating to the cooperative documents governing that cooperative, and to annually provide each association with a summary of declaratory statements and formal legal opinions relating to cooperatives. (s.719.501(g) and (i), F.S.)

34. Requires a disclosure in the contract to purchase, that a buyer has a 15-day voidability period after notice of any amendment which materially alters or modifies the offering in a manner adverse to the buyer. This right is not waivable. (s.719.503(1), F.S.)

35. Requires, where appropriate, a disclosure in conspicuous type in the prospectus, that the cooperative is a phase cooperative. If the buildings and units in subsequent phases are permitted to vary substantially from buildings and units in the original cooperative, a description of the extent of possible change must be provided. (s.719.504, F.S.)

36. Provides that tenants residing in rental units which are being converted to a cooperative have the right to terminate the rental agreement or an extension thereof, upon 30 days' written notice. The amendment limits this right to terminate to those leases or extensions having an unexpired term of 180 days or less. (s.719.606(3), F.S.)

37. Provides to tenants who have lived in a rental unit for six months prior to notice of conversion of the premises to cooperative, a right of first refusal to purchase the unit. The amendment excepts from the right of first refusal requirement those units for which an offer is made for more than one unit to one purchaser. (s.719.612(1)(c), F.S.)

38. Requires a developer converting a cooperative to disclose, among several items already required, the condition of the structure and fireproofing and fire protection system. (s.719.606, F.S.)

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public:

The requirement that a condominium association's lien on a condominium parcel for unpaid assessments expires if a claim of lien is not filed within one year of the date the assessment was due would benefit payees liable for the amount of the lien to the extent an association fails to file its claim within a year. The requirement would result in loss of income to associations to the extent they fail to file the claim of lien within one year.

The provision limiting the amount to be chargeable as a fee relating to the transfer of a unit to \$50 would benefit transferees to the extent they would not be subject to a transfer fee in excess of \$50. The provision would result in loss of income to associations to the extent they would not be able to charge more than \$50 for a transfer fee.

The provision requiring that officers and directors of cooperatives with over 50 units be bonded for no less than \$10,000 each will increase the costs of operating a cooperative to the extent such coverage is obtained. Bonding companies will benefit to the extent they provide such coverage to the officers and directors of cooperatives.

The provision authorizing an 18 percent per annum interest rate where the cooperative documents do not provide for a rate of interest on past due rents and assessments would benefit payees to the extent that the cooperative documents are silent regarding an interest rate on past due amounts. The provision would result in increased costs to payors to the extent that the cooperative documents are similarly silent.

The provision requiring that funds collected from unit owners for a specific purpose, and not used for the purpose, be returned to the unit owners would benefit unit owners to the extent such funds are returned. The provision would result in loss to the developer or association to the extent either collects funds from unit owners for a specific purpose and fails to use them for that purpose.

The requirement that ad valorem taxes and special assessments by taxing authorities be assessed against the cooperative parcels and not against the cooperative property as a whole would result in cost to owners of the parcels to the extent they are subject to such taxes and assessments. The requirement would benefit the association to the extent it relieves the cooperative of liability for such taxes and assessments.

The provision authorizing the association through its cooperative documents to levy a fine not to exceed \$50 against a unit owner for each failure to comply with the provisions of the documents or rules of the cooperative would result in increase costs to unit owners who violate such provisions. The provision would result in increased revenue to the association to the extent unit owners violate such provisions.

The provision granting reasonable attorney's fees to the prevailing party in any action for damages, injunctive relief, or both, in which the buyer claims a right of voidability based upon contractual provisions would benefit the prevailing party to the extent it is relieved of liability for such fees. The provision would result in increased costs for the non-prevailing party.

B. Government:

The provision requiring the division to adopt uniform accounting standards to be used by all condominium associations in the preparation of all required financial statements would result in increased costs to the division to the extent it must prepare, promulgate, and enforce such accounting standards.

The provision requiring the division to establish a procedure for the voluntary arbitration of internal disputes among developers, unit owners, and associations would result in increased costs to the division to the extent it must prepare, promulgate, and enforce such procedures.

The provision requiring the division to provide a cooperative association notice when the division is considering the issuance of a declaratory statement relating to the cooperative documents governing that cooperative would result in increased costs to the extent the division must provide such notice.

The provision requiring the division to annually provide each cooperative association with a summary of declaratory statements and formal legal opinions relating to cooperatives would result in increased costs to the division to the extent the division must annually provide each association with a summary.

III. COMMENTS:

A similar bill, CS/HB's 173, 410, and 661 has passed out of the House Judiciary Committee and has been placed on the calendar.

IV. AMENDMENTS:

None.

STORAGE NAME: 86 SS SB 0192

Date: June 25, 1986

Revised: _____

Final: _____

HOUSE OF REPRESENTATIVES
COMMITTEE ON JUDICIARY
STAFF ANALYSIS

19 1492

BILL #: CS/SB 0192

RELATING TO: Consumer housing

SPONSOR(S): ECCA Committee and Sen. Jenne

EFFECTIVE DATE: Oct. 1, 1986

COMPANION BILL(S): HB 1175, CS/HB 173, 410 and 661, HB 745

OTHER COMMITTEES OF REFERENCE: (1) _____

(2) _____

I. SUMMARY:

Sections 1-3. Section 718.111(3), F.S., provides that a condominium association may institute a suit in its own name on behalf of all unit owners to protest ad valorem taxes on commonly used facilities and on units. Section 194.013, F.S., provides for the imposition of a filing fee for cases filed with the property appraisal adjustment board, not to exceed \$15 per each separate parcel of property covered by the petition. Since each condominium unit owner owns a distinct condominium parcel, in those cases brought pursuant to s. 718.111(3), adjustment boards have been assessing filing fees by multiplying their fee by the number of units in the condominium.

Section 194.011, F.S., is amended to specify in the Taxation and Finance Code that a condominium or cooperative association may file one petition on behalf of association members who consent to the joint petition, and own similar parcels of property. Section 194.013, F.S., directs that a single filing fee be charged for such joint petitions not to exceed \$5 per parcel. Section 194.034(6) is created to provide that the board shall consider each parcel as a separate petition in such hearings.

Sections 4 and 15. Sections 718.112(2)(b) and 719.106(1)(b), F.S., state that condominium and cooperative unit owners may vote by proxy. A proxy, like a power of attorney, is an instrument which authorizes an agent to act for the person who executed it. A voting proxy, as contemplated in Chapters 718 and 719, F.S., is a limited power of attorney which authorizes the attorney in fact to vote on behalf of the unit owner at the election specified in the instrument. Rules adopted pursuant to s. 718.112(2)(b), F.S., require the proxy to contain such information as the date the proxy was given, and the date, time and place of the meeting for which the proxy was given. Rule 7D-23.02, F.A.C.

The Division of Florida Land Sales, Condominiums, and Mobile Homes has taken the position that a unit owner may vote only in person or by proxy, and that a power of attorney must conform to the statute and rules relating to proxies in order to give the holder the right to vote. However, some condominiums have permitted those acting pursuant to general powers of attorney to vote on behalf of unit owners in condominium elections.

CS/SB 192 creates ss. 718.1035 and 719.1065, F.S., which clarify the fact that the use of a power of attorney is subject to the provisions of the Condominium and Cooperative Acts, as well as to all condominium or cooperative documents and rules in force at the time the power of attorney was executed.

Sections 5 and 12. Section 718.111(3), F.S., specifies the powers of the association, which include maintaining actions on behalf of all unit owners concerning matters of common interest. CS/SB 192 provides specifically that the association has the power to defend an eminent domain action or bring an action for inverse condemnation.

Section 718.111(11), F.S., requires condominium associations to maintain adequate insurance to protect the association, its property and the condominium property. The statute directs that, for the purpose of association policies, the word "building" include fixtures, installations, or additions comprising the unfinished interior surfaces of the walls, floors, and ceilings of the individual units. This provision was amended in 1984 to provide, however, that floor coverings, wall coverings, and ceiling coverings are not included in the definition of building. The CS/SB 192 provides that the 1984 amendment would not apply to condominiums in which the condominium documents required that the floor coverings, wall coverings, and ceiling coverings be covered in the association insurance policy. This amendment is considered to be clarifying in nature since the constitution prohibits any law from impairing the obligation of contract.

Section 718.111(12), F.S., provides a listing of items that are considered official records of the condominium. The bill adds to subparagraph (a)12., ballots, sign-in sheets, and all other papers relating to elections, in addition to the existing provision that voting proxies are official records. These same documents are added to s. 719.104, F.S., in a reformatted section relating to official records of cooperatives.

Section 718.111(14), F.S., requires that the Division of Florida Land Sales, Condominiums and Mobile Homes to adopt rules which may require some condominiums to deliver compiled, reviewed or audited financial statements to the unit owners. A majority of the voting interests may waive the requirement, and it does not apply to condominiums which consist of 50 or fewer units.

Sections 6 and 14. Sections 718.112(2)(f)2. and 719.106(1)(1)2., F.S., provide that the annual budget for a condominium or cooperative must include reserve accounts for capital expenditures and deferred maintenance, unless a majority of the members present at

a meeting of the association vote to not fund or to not fully fund such accounts. The Division of Florida Land Sales, Condominiums, and Mobile Homes has adopted a rule stating that for purposes of determining reserves, a capital expenditure is an expense that results from the purchase or replacement of an asset with a life greater than one year, or the addition of an asset that extends the life of the previously existing asset for a period greater than one year. Deferred maintenance is an expenditure for maintenance or repair that will result in extending the life of an asset for a period greater than one year. Rule 7D-23.04, F.A.C. There has been quite a bit of confusion among associations as to what items are required to be included in their computation of reserve accounts.

The CS/SB 192 provides that budget reserve provisions need only be made for items for which the deferred maintenance expense or replacement cost is greater than \$10,000. This limitation should greatly assist boards of directors in preparing their budgets.

The bill provides that associations may accelerate assessments if a unit owner has become delinquent in the payment of common expenses.

Sections 718.112(2)i and 719.106(1)i, F.S., are amended to authorize associations to require renters to post a damage deposit. The deposit may not exceed one month's rent. Sections 718.112(2)(j) and 719.106(1)(k), F.S., are amended to state that all persons who control or disburse association funds be bonded, rather than only officers or directors. The association need not bear the cost of bonding if an independent management company contracts to bond any such person.

Section 7. Section 718.3025, F.S., is amended to provide clarifying language with regard to contracts for operation, maintenance or management of condominium associations or property which specifies that the section applies only where the association pays compensation and does not apply to contracts to provide services or property for the convenience of unit owners, such as coin-operated laundry, good, cable television, and stores.

Section 8. Section 718.501(1), F.S., is amended to require the Division of Florida Land Sales, Condominiums and Mobile Homes to adopt uniform accounting principles, policies and standards to be used in the preparation of the financial statements required by the Condominium Act.

Section 9. The notice of intended conversion of an apartment to condominium pursuant to s. 718.608, F.S., is amended to reflect a change made last year in the substance of the law. That change provided that a tenant is entitled to terminate his rental agreement after notice of conversion if the agreement has an unexpired term of 180 days or less.

Sections 10-42 make the parallel changes in the Cooperative Act, where appropriate, that were previously made to the Condominium Act. These include:

1. Redefining the term "developer" to exclude condominium associations which create a cooperative by conversion of an existing condominium if the unit owners are to be the same people. s. 719.103(12)
2. Defining the terms "conspicuous type," "limited common areas" and "common areas." s. 719.103
3. Official records of the cooperative are designated, along with a requirement that such records be open to inspection and copying by members of the association.
4. The association is granted the power to make and collect assessments, but is prohibited from charging a use fee for a unit owner to use any of the common areas. s. 719.104(5)
5. The association is granted the power to purchase land or recreational leases. If the cooperative documents do not otherwise provide for such acquisitions, the vote required to approve the purchase shall be the same as that which would be required to amend the documents to permit the purchase. s. 719.104(6)
6. Voting rights are made an appurtenance to the cooperative parcel. This change is intended to prevent voting rights from being infringed upon based on violations of rules or late payment of assessments. s. 719.105(1)(a)
7. Notice of the annual meeting may be mailed by regular mail or hand delivered if an officer of the association provides an affidavit stating that the notice was mailed or hand delivered to the address last furnished to the association by each unit owner. s. 719.106(1)(d)
8. With regard to the budget meeting, the notice and copy of the proposed annual budget must be provided at least 14 days prior to the meeting, rather than 30 days prior to the meeting. s. 719.106(1)(e)
9. Mandatory arbitration is imposed when the board of directors fails to certify the recall of a board member within 3 days of a recall vote by the unit owners (or, if the recall is by written agreement, within 3 days of receipt of the agreement by certified mail). s. 719.106(1)(f)
10. Fees may not be charged relating to the transfer of a unit (such as for approvals for sale or lease of a unit) unless provided for in the cooperative documents. If so provided, the fee may not exceed \$50., and no charge shall be made for renewals of leases with the same lessee. The association is authorized to impose a damage deposit which may not exceed one month's rent. s. 719.106(1)(i)
11. For cooperatives with over 50 units, persons who control or disburse association funds must be bonded for no less than \$10,000 each. s. 719.106(1)(k)

12. Cooperatives must provide for voluntary binding arbitration of internal disputes. s. 719.106(1)(1)

13. If the cooperative documents do not provide for a rate of interest on past due rents and assessment, interest shall accrue at 18% per annum. s. 719.108

14. Provision is made for excusing the developer from payment of common expenses where the level of assessments is guaranteed. s. 719.108(8)

15. The specific purpose of any special assessment must be set forth in a written notice to be delivered to each unit owner. If the funds are not used for the purpose indicated in the notice, they shall be returned to the unit owners. s. 719.108(9)

16. In accordance with provisions in the Florida Tax Code, this section specifies that ad valorem taxes and special assessments shall be assessed against cooperative parcels and not upon the cooperative parcel as a whole. The assessment constitutes a lien only on the cooperative parcel. Contractual provisions are enforceable after foreclosure of an assessment to the same extent they could be enforceable against a voluntary purchase of the property.

17. The Division of Land Sales, Condominiums and Mobile Homes is directed to establish a procedure for the voluntary arbitration of internal disputes. Upon request a trial de novo is provided. The decision of the arbitrator is admissible in evidence. s. 715.1255

18. Escrow agents appointed to take sales or reservation deposits are required to be independent of the developer. s. 719.202(8)

19. Prior to turnover of control of the association to the unit owners the developer is responsible for violations of Chapter 719 or the rules adopted by the Division. s. 719.301(5)

20. Any contract made by the developer or the association while it is still developer controlled, which requires the association to purchase cooperative property or lease cooperative property to another party is deemed ratified unless rejected by the unit owners within 18 months of turnover. s. 719.302(2)

21. If the cooperative documents so allow, the association may levy fines against unit owners for failure to comply with the documents or rules of the cooperative. No fine shall exceed \$50 and no fine shall become a lien against a unit. s. 719.303(3)

22. Phase development of a cooperative would be permitted not only if provided for originally in the documents, but also by amendment to the documents if such amendment is approved by all of the unit owners and mortgagees. All phases, if they are to be built, must be completed within 7 years. s. 719.403(1)

23. The provisions relating to phase cooperatives are amended to:

- a. permit modification as to the unit or building type to the extent described in the documents;
- b. provide that square footage figures may be given as maximums and minimums, but that the difference between the minimum and maximum square footage may not be greater than 20% of the maximum;
- c. allow a formula to be used in reallocating the proportion of ownership in the common areas, sharing common expenses and owning common surplus;
- d. permit the developer to reserve the right to add additional recreational facilities if the original declaration contains a description and proposed location. s. 719.403(2)

24. Provides that any amendments by the developer to a phase shall be consistent with the provisions of the documents. Any such amendment shall contain, among other things, a legal description of the land being added, an identification of each unit, a survey of the land to be added, a graphic description of the improvements, a plot plan and a surveyor's certificate.

25. Requires a disclosure in the contract to purchase, that a buyer has a 15-day voidability period after notice of any amendment which materially alters or modifies the offering in a manner adverse to the buyer. This right may not be waived. s. 719.503(1) 26. Requires, where appropriate, a disclosure in conspicuous type in the prospectus, that the cooperative is a phase cooperative. If the buildings and units in subsequent phases are permitted to vary substantially from buildings and units in the original cooperative, a description of the extent of possible change must be provided. s. 719.504

27. Provides that tenants residing in rental units which are being converted to cooperative have the right to terminate the rental agreement or an extension thereof, upon 30 days' written notice. The amendment limits this right to terminate to those leases or extensions having an unexpired term of 180 days or less. s. 719.606(3)

28. Provides to tenants who have lived in a rental unit for six months prior to notice of conversion of the premises to cooperative, a right of first refusal to purchase the unit. The amendment to paragraph (1)(c) excepts from the right of first refusal requirement, those units for which an offer is made for more than one unit to one purchaser. s. 719.612(1)(c)

29. Requires a developer converting a cooperative to disclose, among several items already required, the condition of the structure and fireproofing and fire protection system. s 719.606

Section 43. Section 718.302(1)(e), F.S., which relates to contracts for laundry-related vending equipment, is repealed.

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Bill #SB 0192

Date: June 25, 1986

II. ECONOMIC IMPACT: None.

III. STATE COMPREHENSIVE PLAN IMPACT: None.

IV. COMMENTS:

V. AMENDMENTS:

VI. PREPARED BY Debby Kearney *dk*

VII. STAFF DIRECTOR Richard Hixson *RH*

Journal
of the
Florida
House of Representatives



Eighty-eighth
Regular Session
since Statehood in 1845

April 8 through June 7, 1986

[Including a record of transmittal of Acts subsequent to sine die adjournment]

Brown, T C	Hargrett	Meffert	Thomas, J
Burke	Harris	Mills	Titone
Carlton	Hawkins, L R	Mitchell	Tobiassen
Carpenter	Hazouri	Morgan	Tobin
Clark	Hodges	Peeples	Upchurch
Crady	Johnson, B L	Press	Wallace
Davis	Langton	Reaves	Ward
Dunbar	Lawson	Reddick	Weinstock
Friedman	Liberti	Robinson	Wetherell
Gardner	Lippman	Rochlin	Young
Gibbons	Mackenzie	Silver	
Gordon	Martin	Simon	
Gustafson	Martinez	Smith	

Nays—44

Armstrong	Evans-Jones	Jennings	Sample
Bankhead	Frishe	Jones, D L	Sanderson
Brantley	Garcia	Kimmel	Sansom
Bronson	Grant	Lehtinen	Selph
Combee	Grindle	Lombard	Shackelford
Crotty	Gutman	McEwan	Shelley
Dantzier	Hanson	Messersmith	Simone
Deutsch	Hawkins, M E	Nergard	Souto
Drage	Hill	Patchett	Thomas, D L
Dudley	Hollingsworth	Renke	Webster
Easley	Irvine	Ros-Lehtinen	Woodruff

Under Rule 8 19, the bill was referred to the Engrossing Clerk

HB 53—A bill to be entitled An act relating to requirements for high school graduation, amending s 232 246, F S, providing that a course in speech and debate may be taken to satisfy a credit requirement in performing arts, providing an effective date

—was read the second time by title and, under Rule 8 19, referred to the Engrossing Clerk

By the Committee on Judiciary and Representatives Lippman, Tobin, Rochlin, Kimmel, Lombard, Dunbar, Dudley, Souto, Drage, Young, Bloom—

CS/HBs 173, 410 & 661—A bill to be entitled An act relating to condominiums and cooperatives, creating ss 718 1035 and 719 1035, F S, providing that the use of a power of attorney that affects any aspect of the operation of a condominium or cooperative shall be subject to certain requirements, amending s 718 111, F S, authorizing the condominium association to take part in actions in eminent domain, revising language with respect to insurance; revising language with respect to official records, amending s 718 112, F S, revising language with respect to the annual budget of common expenses of a condominium with respect to reserve accounts for deferred maintenance, authorizing the acceleration of assessments under certain circumstances, providing for fidelity bonds, amending ss 718 116 and 719 108, F S, providing for priority of liens, amending s 719 104, F S, providing for required official records with respect to cooperative associations, amending s 719 106, F S, revising language with respect to the annual budget of common expenses of a cooperative with respect to reserve accounts for deferred maintenance; providing an effective date

—was read the first time by title On motion by Rep Lippman, the rules were waived by two-thirds vote and the bill was read the second time by title

REP HODGES IN THE CHAIR

Representatives Young and Dunbar offered the following amendment:

Amendment 1—On page 2, line 1, insert Section 1 Paragraph (e) is added to subsection (3) of section 194.011, Florida Statutes, to read

194 011 Assessment notice, objections to assessments —

(3) A petition to the property appraisal adjustment board shall describe the property by parcel number and shall be filed as follows

(e) A condominium or cooperative association, with approval of its board of administration, may file with the property appraisal adjustment board a single joint petition on behalf of any association members who give written consent to such a joint petition and who own parcels of property which the board of administration determines are substantially similar with respect to location, proximity to amenities, number of rooms, living area, and condition

Section 2 Subsection (1) of section 194 013, Florida Statutes, is amended to read

194 013 Filing fees for petitions, disposition, waiver —

(1) If so required by resolution of the property appraisal adjustment board a petition filed pursuant to s 194 011 shall be accompanied by a filing fee to be paid to the clerk of the property appraisal adjustment board in an amount determined by the board not to exceed \$15 for each separate parcel of property, real or personal, covered by the petition and subject to appeal However, no such filing fee may be required with respect to an appeal from the disapproval of homestead exemption under s 196 151 or from the denial of tax deferral under s 197 253 Only a single filing fee shall be charged under this section as to any particular parcel of property, despite the existence of multiple issues and hearings pertaining to such parcel For joint petitions filed pursuant to s 194 011(3)(e), a single filing fee shall be charged Such fee shall be calculated as the cost of the special master for the time involved in hearing the joint petition and shall not exceed \$5 per parcel Said fees shall be shared proportionately by the affected parcel owners

Section 3 Subsection (6) is added to section 194 034, Florida Statutes, to read

194 034 Hearing procedures, rules —

(6) For purposes of hearing joint petitions filed pursuant to s 194 011(3)(e), each included parcel shall be considered by the board as a separate petition Such separate petitions shall be heard consecutively by the board. If a special master is appointed, such separate petitions shall be assigned to the same special master (Renumber subsequent sections)

Rep Dunbar moved the adoption of the amendment, which was adopted

Representative Dunbar offered the following amendment

Amendment 2—On page 6, line 19, insert (14) The division shall adopt rules which may require that the association deliver to the unit owners, in lieu of the financial report required by subsection (13), a complete set of financial statements for the preceding fiscal year The financial statements shall be delivered within 90 days following the end of the previous fiscal year or annually on such other date as provided by the bylaws The rules of the division may require that the financial statements be compiled, reviewed, or audited and the rule shall take into consideration the criteria set forth in s 718 501(1)(j). The requirement to have the financial statements compiled, reviewed, or audited does not apply to associations when a majority of the voting interests of the association present at a duly called meeting of the association have determined for a fiscal year to waive this requirement The meeting shall be held not less than 30 days prior to the end of the fiscal year, and the waiver shall be effective for only one fiscal year This subsection does not apply to a condominium which consists of 50 or fewer units

Rep Dunbar moved the adoption of the amendment, which was adopted

Representative Dunbar offered the following amendment

Amendment 3—On page 2, line 13, after the word "amended" insert and subsection (14) is added to said section

Rep Dunbar moved the adoption of the amendment, which was adopted without objection

Representative Dunbar offered the following title amendment

Amendment 4—On page 1, line 12, after the semicolon insert requiring certain financial reports,

Rep Dunbar moved the adoption of the amendment, which was adopted without objection

Representative Dunbar offered the following amendment

Amendment 5—On page 11, line 10, insert the following and renumber remaining sections accordingly Section 5 Subsection (4) is added to section 718 3025, Florida Statutes, to read

718 3025 Agreements for operation, maintenance, or management of condominiums, specific requirements —

(4) Notwithstanding the fact that certain vendors contract with associations to maintain equipment or property which is made available to serve unit owners, it is the intent of the Legislature that this section applies to contracts for maintenance or management services for which the association pays compensation. This section does not apply to contracts for services or property made available for the convenience of unit owners by lessees or licensees of the association, such as coin operated laundry, food, soft drink, or telephone vendors; cable television operators, retail store operators, businesses, restaurants, or similar vendors

Section 6 Paragraph (j) is added to subsection (1) of section 718 501, Florida Statutes, to read

718 501 Powers and duties of Division of Florida Land Sales, Condominiums, and Mobile Homes —

(1) The Division of Florida Land Sales, Condominiums, and Mobile Homes of the Department of Business Regulation, referred to as the "division" in this part, in addition to other powers and duties prescribed by chapter 498, has the power to enforce and ensure compliance with the provisions of this chapter and rules promulgated pursuant hereto relating to the development, construction, sale, lease, ownership, operation, and management of residential condominium units. In performing its duties, the division has the following powers and duties.

(j) The division shall adopt uniform accounting principles, policies, and standards to be used by all associations in the preparation and presentation of all financial statements required by this chapter. The principles, policies, and standards shall take into consideration the size of the association and the total revenue collected by the association

Rep Dunbar moved the adoption of the amendment, which was adopted

Representative Dunbar offered the following title amendment

Amendment 6—On page 1, line 20, after the semicolon insert amending s 718 3025, F.S., relating to contracts for services or property for unit owners, amending s 718 501, F.S., providing that the Division of Florida Land Sales, Condominiums and Mobile Homes adopt uniform accounting principles, policies and standards for condominiums,

Rep Dunbar moved the adoption of the amendment, which was adopted without objection

Representative Dunbar offered the following amendment.

Amendment 7—On page 15, line 7, insert Section 9 Section 718 302(1)(e), Florida Statutes, is hereby repealed

Rep Dunbar moved the adoption of the amendment, which was adopted

Representative Dunbar offered the following title amendment:

Amendment 8—On page 1, line 27, after the semicolon insert repealing s 718 302(1)(e),

Rep Dunbar moved the adoption of the amendment, which was adopted without objection

Representative Dunbar offered the following amendment

Amendment 9—On page 15, line 8, strike "5" and insert 15

Rep Dunbar moved the adoption of the amendment, which was adopted

Representative Dunbar offered the following amendment

Amendment 10—On page 2 lines 30-31, strike "actions in eminent domain," and on page 3, line 1 before the period insert "and may

defend actions in eminent domain or bring inverse condemnation actions

Rep Dunbar moved the adoption of the amendment, which was adopted Under Rule 8 19, the bill was referred to the Engrossing Clerk

CS/HB 311 by the Committee on Judiciary and Representative Dunbar was taken up On motions by Rep Dunbar, the rules were waived and—

SB 515—A bill to be entitled An act relating to title insurance, amending s 627 792, F.S., providing for the apportionment of liability among title insurers for defalcation, conversion, or misappropriation by an agent representing multiple companies; providing an effective date.

—a similar or companion measure, was taken up, read the second time by title, and substituted for CS/HB 311. Under the rules, the House bill was laid on the table and the Senate bill was referred to the Engrossing Clerk

By the Committee on Education, K-12 and Representatives Arnold and Kimmel—

CS/HB 375—A bill to be entitled An act relating to the district school system, amending s 231 02, F.S., requiring certain noninstructional personnel of the district school system and the Florida School for the Deaf and the Blind to file their fingerprints for state and federal processing, providing for costs, providing an effective date

—was read the first time by title On motion by Rep Arnold, the rules were waived by two-thirds vote and the bill was read the second time by title

Representatives Wetherell, Bell and T C Brown offered the following amendment

Amendment 1—On page 3, line 8, after the period, insert Section 2. Subsection (1) of section 235 056, Florida Statutes, is amended to read 235 056 Lease and lease-purchase of educational facilities —

(1) A board, including the Board of Regents, is authorized to lease educational plants to a federal, state, county, or municipal governmental agency or to any public or private nonprofit agency, for the benefit of the community, when such action is recommended in an educational plan survey (and renumber the subsequent sections)

Rep Wetherell moved the adoption of the amendment, which was adopted

Representatives Wetherell, Bell and T C Brown offered the following title amendment

Amendment 2—On page 1, line 8, after the semicolon, insert amending s 235.056, F.S., relating to lease and lease-purchase of educational facilities;

Rep Wetherell moved the adoption of the amendment, which was adopted without objection Under Rule 8 19, the bill was referred to the Engrossing Clerk

By the Committee on Commerce and Representatives Abrams and Bloom—

CS/HB 610—A bill to be entitled An act relating to consumer protection, providing legislative intent, providing definitions; specifying labeling requirements for the distribution and sale of art and craft materials containing toxic substances, requiring that certain notification be made, providing a civil penalty and for deposit of fines to a certain trust fund, providing for rules, providing effective dates.

—was read the first time by title On motion by Rep Abrams, the rules were waived by two-thirds vote and the bill was read the second time by title and, under Rule 8 19, referred to the Engrossing Clerk

HB 659—A bill to be entitled An act relating to financial audits, amending s 11 45, F.S., allowing district school boards to select an auditor to perform an annual audit, providing for the presentation of the annual audit report to the superintendent of schools and the

REVISED: _____

BILL NO. SB 192

DATE: May 7, 1986

Page 1

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

18 1514

<u>ANALYST</u>	<u>STAFF DIRECTOR</u>	<u>REFERENCE</u>	<u>ACTION</u>
1. <u>Balzer <i>EB</i></u>	<u>Buck <i>DB</i></u>	1. <u>ECCA</u>	_____
2. _____	_____	2. _____	_____
3. _____	_____	3. _____	_____

SUBJECT: Condominiums

BILL NO. AND SPONSOR:
SB 192 by
Senator Jenne and others

I. SUMMARY:

A. Present Situation:

Chapter 718, F.S., is the Condominium Act.

Section 718.111, F.S., relates to the powers and duties of condominium associations. Subsection 718.111(12), F.S., enumerates plans, permits, rosters, agreements, accounts, etc. which constitute the condominium association's official records. Subsection 718.111(12)(a)(12), F.S., specifically includes voting proxies which must be kept for 1 year from the date of the meeting for which the proxy was given as part of the association's official records.

B. Effect of Proposed Changes:

The bill amends subsection 718.111(12)(a)(12), F.S., to provide that ballots used with respect to condominium associations be part of a condominium association's official records.

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public:

None.

B. Government:

None.

III. COMMENTS:

A similar bill, CS/HB's 173, 410, and 661 has been passed out of the House Judiciary Committee this session.

IV. AMENDMENTS:

None.

STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
COMMITTEE SUBSTITUTE FOR
Senate Bill 192

--The bill makes several clarifying, technical, and substantive amendments to the Condominium Act including:

--requiring that a power of attorney affecting any aspect of the operation of a condominium be subject to regulations and documents in force at the time the power was executed;

--authorizing the association to take part in actions in eminent domain;

--revising language with respect to bylaws;

--authorizing the acceleration of assessments under certain circumstances;

--providing for priority of liens;

--revising provisions relating to notice of conversion.

--The balance of the bill significantly amends the Cooperative Act to conform the provisions of that act to those of the Condominium Act, where appropriate, including:

--redefining the term developer;

--designating what constitutes the official records of the cooperative;

--granting the association the power to make and collect assessments and to buy land or make recreational leases;

--making voting rights an appurtenance to the cooperative parcel;

--providing that notice of the annual meeting may be mailed by regular mail or hand delivered under certain circumstances;

--imposing mandatory arbitration when the board of directors fails to certify the recall of a board member;

--prohibiting the imposition of certain transfer fees;

--requiring that certain officers and directors be bonded;

--requiring cooperatives provide for voluntary binding arbitration for internal disputes;

--providing an 18% interest rate on past due rents and assessments if the cooperative documents are silent as to such rates;

--requiring funds collected as special assessments be returned to unit owners if not used for the purpose collected;

--requiring that ad valorem taxes be assessable against parcels and not the cooperative property;

--requiring escrow agents be independent of the developer;

--making the developer responsible for violations made prior to turnover of control of the association to the unit owners;

--authorizing the association to levy fines against unit owners for failure to comply with association rules or documents;

18

1514

--designating when and under what circumstances phase development of a cooperative is permissible;

--making the developer liable for expenses related to relinquishing control to the association.

See bill for additional details.

Committee on Economic, Community and
Consumer Affairs


Staff Director

(FILE TWO COPIES WITH THE SECRETARY OF THE SENATE)

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

146

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. <u>1514 Barzer CB</u>	<u>Buck DB</u>	1. <u>ECCA</u>	<u>Fav./CS</u>
2. _____	_____	2. _____	_____
3. _____	_____	3. _____	_____

SUBJECT:

Condominiums

BILL NO. AND SPONSOR:

CS/SB 192 by ECCA,
Senator Jenne and othersI. SUMMARY:

A. Present Situation:

Chapter 194, Florida Statutes, relates to administrative and judicial review of property taxes. Subsection 194.013(1), F.S., authorizes property appraisal adjustment boards to require petitions filed pursuant to s.194.011, F.S., to be accompanied by a filing fee not to exceed \$15 for each separate parcel of property covered by the petition. If the petitioner prevails at the property appraisal adjustment board hearing, the fee is refunded.

Subsection 718.111(3), F.S., provides that a condominium association may initiate an action in its own name on behalf of all unit owners to protest ad valorem taxes on commonly used facilities and on units. When an association files a petition with a property appraisal adjustment board, the board typically calculates the filing fee by multiplying the base fee by the number of units represented in the petition.

Chapter 718, F.S., is the Condominium Act. The Act gives statutory recognition to the condominium form of ownership of real property and establishes procedures for the creation, sale, and operation of condominiums.

The chapter provides a short title (s.718.101, F.S.), states the purpose of the chapter (s.718.102, F.S.), and provides definitions (s.718.103, F.S.). The chapter provides for the creation of condominiums (s.718.104, F.S.), time-share estates (s.718.1045, F.S.), for the recording of the declaration (s.718.105, F.S.), condominium parcels (s.718.106, F.S.), for the restraint upon separation (s.718.107, F.S.), common elements (s.718.108, F.S.), legal description of parcels (s.718.109, F.S.), and the amendment of the declaration (s.718.110, F.S.). The act also provides for an association (s.718.111, F.S.), bylaws, (s.718.112, F.S.), failure to fill board of administration vacancies (s.718.1124, F.S.), maintenance (s.718.113, F.S.), association powers (s.718.114, F.S.), common expenses (s.718.115, F.S.), assessments (s.718.116, F.S.), termination (s.718.117, F.S.), equitable relief (s.718.118, F.S.), limitation of liability (s.718.119, F.S.), separate taxation of parcels (s.718.120, F.S.), and liens (s.718.121, F.S.). The act establishes guidelines for determining the unconscionability of certain leases (s.718.122, F.S.), provides for the applicability of the Federal Condominium and Cooperative Abuse Relief Act of 1980 (s.718.1225, F.S.), the right of owners to peaceably assemble (s.718.123, F.S.), cable television service (s.718.1232, F.S.), limitation on actions by the association (s.718.124, F.S.), attorney's fees (s.718.125, F.S.), and the voluntary arbitration of disputes (s.718.1255, F.S.).

Chapter 719, Florida Statutes, is the Cooperative Act. The Act gives statutory recognition to the cooperative form of ownership of real property.

The chapter provides a short title (s.719.101, F.S.), a statement of purpose (s.719.102, F.S.), and definitions (s.719.103, F.S.). The chapter provides guidelines for access to the units, records, and reports of the cooperative (s.719.104, F.S.); for cooperative parcels (s.719.105, F.S.); bylaws (s.719.106, F.S.); failure to fill board of administration vacancies (s.719.1064, F.S.); and common expenses (s.719.107, F.S.). The act also provides for rents and assessments (s.719.108, F.S.), the right of owners to peaceably assemble (s.719.109, F.S.), limitation on actions by the association (s.719.110, F.S.), attorney's fees (s.719.111, F.S.), and guidelines to determine the unconscionability of certain leases (s.719.112, F.S.).

B. Effect of Proposed Changes:

Subsection 194.011(3), F.S., is amended to authorize a condominium or cooperative association to file with the property appraisal adjustment board a single joint petition on behalf of association members who consent to such petition and who own substantially similar parcels. Subsection 194.013(1), F.S., is amended to require that a single filing fee be charged for such joint petitions. This fee is to be calculated as the cost of the special master for the time required to hear the joint petition, but may not exceed \$5 per parcel. Section 194.034, F.S., is amended to require the property appraisal adjustment board to consider each parcel as a separate petition at the hearing. Such separate petitions are to be heard consecutively and assigned to the same special master.

The bill creates s.718.1035, F.S., and s.719.1065, F.S., which clarify that the use of a power of attorney is subject to the provisions of the Condominium and Cooperative Acts, respectively, as well as to all condominium or cooperative documents and rules in force at the time the power of attorney was executed.

Section 718.111, F.S., is amended to empower condominium associations to participate in actions in eminent domain; to include ballots, sign-in sheets, and all other papers relating to elections, as documents constituting the association's official records and to require the division to adopt rules requiring the association to deliver to unit owners a financial statement for the preceding fiscal year.

Section 718.112, F.S., is amended to delete language regarding the vote required to amend the bylaws; to state that with regard to the transfer fee that may be charged by the association to approve the sale or lease of a unit, a husband and wife or a parent and dependent children are to be considered as one applicant and therefore only one fee may be charged in such instances; and to provide that internal disputes requiring voluntary binding arbitration shall include those involving developers, as well as unit owners, associations, and their agents and assigns.

Section 718.3025, F.S., is amended to exclude contracts for services, such as those involving coin-operated laundry, food, soft drink, and telephone vendors, made for the benefit of unit owners by lessees or licensees of the association, from the statutory requirements of the section.

Section 718.501, F.S., is amended to require the division to adopt uniform accounting standards to be used by all associations in preparing their required financial statements.

Section 718.608, F.S., is amended to require that a tenant is entitled to terminate his rental agreement after notice of conversion of an apartment to condominium if the agreement has an unexpired term of 180 days or less.

Section 718.302(1)(e), F.S., relating to contractual agreements for laundry-related vending equipment to be used in common by unit owners, is repealed.

The balance of this bill generally makes the parallel changes in the Cooperative Act, where appropriate, that were previously made to the Condominium Act. These include:

1. Redefining the term "developer" to exclude condominium associations which create a cooperative by conversion of an existing condominium if the unit owners are to be the same people. (s.719.103(12), F.S.)

2. Defining the terms "conspicuous type," "limited common areas," and "common areas." (s.719.103, F.S.)

3. Designating what constitutes the official records of the cooperative along with a requirement that such records be open to inspection and copying by members of the association.

4. The association is granted the power to make and collect assessments, but is prohibited from charging a use fee of a unit owner for use of any of the common areas. (s.719.104(5), F.S.)

5. The association is granted the power to purchase land or recreational leases. If the cooperative documents do not otherwise provide for such acquisitions, the vote required to approve the purchase shall be the same as that which would be required to amend the documents to permit the purchase. (s.719.104(6), F.S.)

6. Voting rights are made an appurtenance to the cooperative parcel. (s.719.105(1)(a).)

7. Notice of the annual meeting may be mailed by regular mail or hand delivered to each unit owner if an officer of the association provides an affidavit stating that the notice was mailed or hand delivered to the address last furnished to the association. (s.719.106(1)(d), F.S.)

8. The budget adopted by the board of directors shall go into effect if a meeting of unit owners was called and a quorum was not attained or a substitute budget was not adopted. (s.719.106(1)(f), F.S.)

9. Mandatory arbitration is imposed when the board of directors fails to certify the recall of a board member or the recall vote is disputed. (s.719.106(1)(f), F.S.)

10. Fees may not be charged relating to the transfer of a unit (such as for approvals for sale or lease of a unit) unless provided for in the cooperative documents. If so provided, the fee may not exceed \$50, and no charge shall be made for renewals of leases with the same lessee. (s.719.106(1)(i), F.S.)

11. If unit owners meet to determine to provide no reserves for capital expenditures, or reserves less adequate than required, and such result or a quorum is not attained, the reserves included in the budget go into effect. (s.719.106(1)(j), F.S.)

12. For cooperatives with over 50 units, officers and directors must be bonded for no less than \$10,000 each. (s.719.106(1)(k), F.S.)

13. Cooperatives must provide for voluntary binding arbitration of internal disputes. (s.719.106(1)(l), F.S.)

14. If the cooperative documents do not provide for a rate of interest on past due rents and assessment, interest shall accrue at 18 percent per annum. (s.719.108(3), F.S.)

15. Provision is made for excusing the developer from the payment of common expenses where the level of assessments is guaranteed. (s.719.108(8), F.S.)

16. The specific purpose of any special assessment must be set forth in a written notice delivered to each unit owner. If the funds are not used for the purpose indicated in the notice, they shall be returned to the unit owners. (s.719.108(9), F.S.)

17. Ad valorem taxes are to be assessed against the cooperative parcels and not the cooperative property as a whole. (s.719.114, F.S.)

18. The Division of Land Sales, Condominiums, and Mobile Homes of the Department of Business Regulation is directed to establish a procedure for the voluntary arbitration of internal disputes. Upon request, a trial de novo is provided, and the decision of the arbitrator is admissible in evidence. (s.715.1255, F.S.)

19. Failure to establish an escrow account is prima facie evidence of an intentional violation of this section. (s.719.202(7), F.S.)

20. Escrow agents appointed to take sales or reservation deposits are required to be independent of the developer. (s.719.202(8), F.S.)

21. The developer may elect at least one board member of the association if he holds for sale at least 5 percent in a cooperative with fewer than 500 units or 2 percent in a cooperative with 500 or more units. (s.719.301(1), F.S.)

22. The developer is liable for expenses related to relinquishing control to the association. (s.719.301(4), F.S.)

23. Prior to turnover of control of the association to the unit owners the developer is responsible for violations of chapter 719, F.S., or the rules adopted by the division. (s.719.301(5), F.S.)

24. Any contract made by the developer or the association while it is still developer controlled, which requires the association to purchase cooperative property or lease cooperative property to another party, is deemed ratified unless rejected by the unit owners within 18 months of turnover. (s.719.302(2), F.S.)

25. The prevailing party in an action wherein the buyer claims a right of voidability based upon contractual provisions is entitled to attorney's fees. (s.719.303(1), F.S.)

26. If the cooperative documents so allow, the association may levy fines against unit owners for failure to comply with the documents or rules of the cooperative. No fine shall

exceed \$50 and no fine shall become a lien against a unit. (s.719.303(3), F.S.)

27. Provisions relating to cooperatives on leased land do not apply if the lessor is the U.S. government or the state, a political subdivision, or agency thereof. (s.719.401(3), F.S.)

28. The provision prohibiting the inclusion of escalation clauses in a cooperative agreement does not apply if the lessor is one of above listed governmental entities. (s.719.401(8), F.S.)

29. If the rent under the lease is fixed and payable by the association or unit owners, the division director may accept alternative assurances sufficient to secure the payment of rent. (s.719.401(9), F.S.)

30. Phase development of a cooperative would be permitted not only if provided for originally in the documents, but also by amendment to the documents if such amendment is approved by all of the unit owners and mortgagees. (s.719.403(1), F.S.)

31. The provisions relating to phase cooperatives are amended to (s.719.403(2), F.S.):

a. permit modifications to the unit or building type to the extent described in the documents;

b. provide that square footage figures may be given as maximums and minimums, but that the difference between the minimum and maximum square footage may not be greater than 20 percent of the maximum;

c. allow a formula to be used in reallocating the proportion of ownership in the common areas, sharing common expenses and owning common surplus;

d. permit the developer to reserve the right to add additional recreational facilities if the original declaration contains a description and proposed location;

e. provide that if time-share estates are to be created with respect to any units, the minimum duration of the reoccurring periods of rights of use must be specified.

32. Provides that any amendment by the developer to a phase shall be consistent with the provisions of the documents. Any such amendment shall contain, among other things, a legal description of the land being added, an identification of each unit, a survey of the land to be added, a graphic description of the improvements, a plot plan, and a surveyor's certificate. (s.719.403(6), F.S.)

33. Requires the division to establish procedures for providing an association notice when the division is considering the issuance of a declaratory statement relating to the cooperative documents governing that cooperative, and to annually provide each association with a summary of declaratory statements and formal legal opinions relating to cooperatives. (s.719.501(g) and (1), F.S.)

34. Requires a disclosure in the contract to purchase, that a buyer has a 15-day voidability period after notice of any amendment which materially alters or modifies the offering in a manner adverse to the buyer. This right is not waivable. (s.719.503(1), F.S.)

35. Requires, where appropriate, a disclosure in conspicuous type in the prospectus, that the cooperative is a

phase cooperative. If the buildings and units in subsequent phases are permitted to vary substantially from buildings and units in the original cooperative, a description of the extent of possible change must be provided. (s.719.504, F.S.)

36. Provides that tenants residing in rental units which are being converted to a cooperative have the right to terminate the rental agreement or an extension thereof, upon 30 days' written notice. The amendment limits this right to terminate to those leases or extensions having an unexpired term of 180 days or less. (s.719.606(3), F.S.)

37. Provides to tenants who have lived in a rental unit for six months prior to notice of conversion of the premises to cooperative, a right of first refusal to purchase the unit. The amendment excepts from the right of first refusal requirement those units for which an offer is made for more than one unit to one purchaser. (s.719.612(1)(c), F.S.)

38. Requires a developer converting a cooperative to disclose, among several items already required, the condition of the structure and fireproofing and fire protection system. (s.719.606, F.S.)

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public:

To the extent that the cap on the filing fee reduces the cost of petitioning the property appraisal adjustment boards, condominium unit owners will benefit.

The requirement that a condominium association's lien on a condominium parcel for unpaid assessments expires if a claim of lien is not filed within one year of the date the assessment was due would benefit payees liable for the amount of the lien to the extent an association fails to file its claim within a year. The requirement would result in loss of income to associations to the extent they fail to file the claim of lien within one year.

The provision limiting the amount to be chargeable as a fee relating to the transfer of a unit to \$50 would benefit transferees to the extent they would not be subject to a transfer fee in excess of \$50. The provision would result in loss of income to associations to the extent they would not be able to charge more than \$50 for a transfer fee.

The provision requiring that officers and directors of cooperatives with over 50 units be bonded for no less than \$10,000 each will increase the costs of operating a cooperative to the extent such coverage is obtained. Bonding companies will benefit to the extent they provide such coverage to the officers and directors of cooperatives.

The provision authorizing an 18 percent per annum interest rate where the cooperative documents do not provide for a rate of interest on past due rents and assessments would benefit payees to the extent that the cooperative documents are silent regarding an interest rate on past due amounts. The provision would result in increased costs to payors to the extent that the cooperative documents are similarly silent.

The provision requiring that funds collected from unit owners for a specific purpose, and not used for the purpose, be

returned to the unit owners would benefit unit owners to the extent such funds are returned. The provision would result in loss to the developer or association to the extent either collects funds from unit owners for a specific purpose and fails to use them for that purpose.

The requirement that ad valorem taxes and special assessments by taxing authorities be assessed against the cooperative parcels and not against the cooperative property as a whole would result in cost to owners of the parcels to the extent they are subject to such taxes and assessments. The requirement would benefit the association to the extent it relieves the cooperative of liability for such taxes and assessments.

The provision authorizing the association through its cooperative documents to levy a fine not to exceed \$50 against a unit owner for each failure to comply with the provisions of the documents or rules of the cooperative would result in increase costs to unit owners who violate such provisions. The provision would result in increased revenue to the association to the extent unit owners violate such provisions.

The provision granting reasonable attorney's fees to the prevailing party in any action for damages, injunctive relief, or both, in which the buyer claims a right of voidability based upon contractual provisions would benefit the prevailing party to the extent it is relieved of liability for such fees. The provision would result in increased costs for the non-prevailing party.

B. Government:

The provision requiring the division to adopt uniform accounting standards to be used by all condominium associations in the preparation of all required financial statements would result in increased costs to the division to the extent it must prepare, promulgate, and enforce such accounting standards.

The provision requiring the division to establish a procedure for the voluntary arbitration of internal disputes among developers, unit owners, and associations would result in increased costs to the division to the extent it must prepare, promulgate, and enforce such procedures.

The provision requiring the division to provide a cooperative association notice when the division is considering the issuance of a declaratory statement relating to the cooperative documents governing that cooperative would result in increased costs to the extent the division must provide such notice.

The provision requiring the division to annually provide each cooperative association with a summary of declaratory statements and formal legal opinions relating to cooperatives would result in increased costs to the division to the extent the division must annually provide each association with a summary.

III COMMENTS:

CS/ENG/SB 192 was ordered engrossed, then enrolled on June 6, 1986.

IV. AMENDMENTS:

None.

STORAGE NAME: SS PCB 2-00

Date: October 2, 1985

Revised: _____

Final: _____

File Copy

HOUSE OF REPRESENTATIVES
COMMITTEE ON JUDICIARY
STAFF ANALYSIS

1492

BILL# PCB JUD 2 SPONSOR Comm. on Judiciary

EFFECTIVE DATE Oct. 1, 1986 IDENTICAL/SIMILAR BILLS _____

RELATING TO Cooperatives

OTHER COMMITTEES OF REFERENCE _____

I. SUMMARY:

A. Present Situation:

In 1984 a substantial number of amendments were made to Chapter 718, F.S., (Condominiums). It has been discovered that a few of these amendments need either clarifying or technical changes. The Cooperative Act (Chapter 719, F.S.), is very similar to the Condominium Act, but has not been amended in the last few years to reflect changes made in the parallel condominium provisions.

B. Effect of Proposed Changes:

Section 718.111(4), F.S., is amended to clarify under what circumstances a condominium association may charge unit owners for the use of common elements or association-owned property. Such circumstances would include where there is a provision for use fees in the declaration, where a majority of the association votes for such fees and where fees are imposed against an owner who has exclusive use of the property.

Language regarding the vote required to amend the bylaws in s. 718.112(1)(b), F.S., is deleted since s. 718.112(2)(h), F.S., currently provides a conflicting method. Therefore, unless otherwise provided in the bylaws, amendments to the bylaws must be approved by at least two-thirds of the voting interests.

Section 718.112(2)(i), F.S., is amended to state that with regard to the transfer fee that may be charged by the association to approve the sale or lease of a unit, a husband and wife or a parent and dependent children are to be considered as one applicant and therefore only one fee may be charged in such instances.

The notice of intended conversion of an apartment to condominium pursuant to s. 718.608, F.S., is amended to reflect a change made last year in the substance of the law. That change

provided that a tenant is entitled to terminate his rental agreement after notice of conversion if the agreement has an unexpired term of 180 days or less.

The balance of this bill generally makes the parallel changes in the Cooperative Act, where appropriate, that were previously made to the Condominium Act. These include:

1. Redefining the term "developer" to exclude condominium associations which create a cooperative by conversion of an existing condominium if the unit owners are to be the same people. s. 719.103(12)

2. Defining the terms "conspicuous type," "limited common areas" and "common areas." s. 719.103

3. Official records of the cooperative are designated, along with a requirement that such records be open to inspection and copying by members of the association.

4. The association is granted the power to make and collect assessments, but is prohibited from charging a use fee for a unit owner to use any of the common areas. s. 719.104(5)

5. The association is granted the power to purchase land or recreational leases. If the cooperative documents do not otherwise provide for such acquisitions, the vote required to approve the purchase shall be the same as that which would be required to amend the documents to permit the purchase. s. 719.104(6)

6. Voting rights are made an appurtenance to the cooperative parcel. This change is intended to prevent voting rights from being infringed upon based on violations of rules or late payment of assessments. s. 719.105(1)(a).

7. Notice of the annual meeting may be mailed by regular mail or hand delivered if an officer of the association provides an affidavit stating that the notice was mailed or hand delivered to the address last furnished to the association by each unit owner. s. 719.106(1)(d)

8. With regard to the budget meeting, the notice and copy of the proposed annual budget must be provided at least 14 days prior to the meeting, rather than 30 days prior to the meeting. s. 719.106(1)(e)

9. Mandatory arbitration is imposed when the board of directors fails to certify the recall of a board member within 3 days of a recall vote by the unit owners (or, if the recall is by written agreement, within 3 days of receipt of the agreement by certified mail). s. 719.106(1)(f)

10. Fees may not be charged relating to the transfer of a unit (such as for approvals for sale or lease of a unit) unless

provided for in the cooperative documents. If so provided, the fee may not exceed \$50., and no charge shall be made for renewals of leases with the same lessee. s. 719.106(1)(1)

11. For cooperatives with over 50 units, officers and directors must be bonded for no less than \$10,000 each. s. 719.106(1)(k)

12. Cooperatives must provide for voluntary binding arbitration of internal disputes. s. 719.106(1)(1)

13. If the cooperative documents do not provide for a rate of interest on past due rents and assessment, interest shall accrue at 18% per annum. s. 719.108

14. Provision is made for excusing the developer from payment of common expenses where the level of assessments is guaranteed. s. 719.108(8)

15. The specific purpose of any special assessment must be set forth in a written notice to be delivered to each unit owner. If the funds are not used for the purpose indicated in the notice, they shall be returned to the unit owners. s. 719.108(9)

16. The Division of Land Sales, Condominiums and Mobile Homes is directed to establish a procedure for the voluntary arbitration of internal disputes. Upon request a trial de novo is provided. The decision of the arbitrator is admissible in evidence. s. 715.1255

17. Escrow agents appointed to take sales or reservation deposits are required to be independent of the developer. s. 719.202(8)

18. Prior to turnover of control of the association to the unit owners the developer is responsible for violations of Chapter 719 or the rules adopted by the Division. s. 719.301(5)

19. Any contract made by the developer or the association while it is still developer controlled, which requires the association to purchase cooperative property or lease cooperative property to another party is deemed ratified unless rejected by the unit owners within 18 months of turnover. s. 719.302(2)

20. If the cooperative documents so allow, the association may levy fines against unit owners for failure to comply with the documents or rules of the cooperative. No fine shall exceed \$50 and no fine shall become a lien against a unit. s. 719.303(3)

21. Phase development of a cooperative would be permitted not only if provided for originally in the documents, but also by amendment to the documents if such amendment is approved by all

of the unit owners and mortgagees. All phases, if they are to be built, must be completed within 7 years. s.719.403(1)

22. The provisions relating to phase cooperatives are amended to:

a. permit modification as to the unit or building type to the extent described in the documents;

b. provide that square footage figures may be given as maximums and minimums, but that the difference between the minimum and maximum square footage may not be greater than 20% of the maximum;

c. allow a formula to be used in reallocating the proportion of ownership in the common areas, sharing common expenses and owning common surplus;

d. permit the developer to reserve the right to add additional recreational facilities if the original declaration contains a description and proposed location. s. 719.403(2)

23. Provides that any amendments by the developer to a phase shall be consistent with the provisions of the documents. Any such amendment shall contain, among other things, a legal description of the land being added, an identification of each unit, a survey of the land to be added, a graphic description of the improvements, a plot plan and a surveyor's certificate.

24. Requires a disclosure in the contract to purchase, that a buyer has a 15-day voidability period after notice of any amendment which materially alters or modifies the offering in a manner adverse to the buyer. This right may not be waived.

25. Requires, where appropriate, a disclosure in conspicuous type in the prospectus, that the cooperative is a phase cooperative. If the buildings and units in subsequent phases are permitted to vary substantially from buildings and units in the original cooperative, a description of the extent of possible change must be provided. s. 719.504

26. Provides that tenants residing in rental units which are being converted to cooperative have the right to terminate the rental agreement or an extension thereof, upon 30 days' written notice. The amendment limits this right to terminate to those leases or extensions having an unexpired term of 180 days or less. s. 719.606(3)

27. Provides to tenants who have lived in a rental unit for six months prior to notice of conversion of the premises to cooperative, a right of first refusal to purchase the unit. The amendment to paragraph (1)(c) excepts from the right of first refusal requirement, those units for which an offer is made for more than one unit to one purchaser. s. 719.612(1)(c)

28. Requires a developer converting a cooperative to disclose, among several items already required, the condition of the structure and fireproofing and fire protection system. s 719.606

II. ECONOMIC IMPACT: None.

III. COMMENTS:

IV. AMENDMENTS:

V. PREPARED BY Debby Kaveney *dk*

VI. STAFF DIRECTOR Richard Hixson *rh*

STORAGE NAME: 86 SS PCB JUD 2

Date: March 6, 1986

Revised: _____

Final: _____

HOUSE OF REPRESENTATIVES
COMMITTEE ON JUDICIARY
STAFF ANALYSIS

19 1472

BILL# PCB JUD 2 SPONSOR Comm. on Judiciary

EFFECTIVE DATE Oct. 1, 1986 IDENTICAL/SIMILAR BILLS _____

RELATING TO Cooperatives

OTHER COMMITTEES OF REFERENCE _____

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Language regarding the vote required to amend the bylaws in s. 718.112(1)(b), F.S., is deleted since s. 718.112(2)(h), F.S., currently provides a conflicting method. Therefore, unless otherwise provided in the bylaws, amendments to the bylaws must be approved by at least two-thirds of the voting interests.

Section 718.112(2)(i), F.S., is amended to state that with regard to the transfer fee that may be charged by the association to approve the sale or lease of a unit, a husband and wife or a parent and dependent children are to be considered as one applicant and therefore only one fee may be charged in such instances.

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provided that a tenant is entitled to terminate his rental agreement after notice of conversion if the agreement has an unexpired term of 180 days or less.

The balance of this bill generally makes the parallel changes in the Cooperative Act, where appropriate, that were previously made to the Condominium Act. These include:

1. Redefining the term "developer" to exclude condominium associations which create a cooperative by conversion of an existing condominium if the unit owners are to be the same people. s. 719.103(12)

2. Defining the terms "conspicuous type," "limited common areas" and "common areas." s. 719.103

3. Official records of the cooperative are designated, along with a requirement that such records be open to inspection and copying by members of the association.

4. The association is granted the power to make and collect assessments, but is prohibited from charging a use fee for a unit owner to use any of the common areas. s. 719.104(5)

5. The association is granted the power to purchase land or recreational leases. If the cooperative documents do not otherwise provide for such acquisitions, the vote required to approve the purchase shall be the same as that which would be required to amend the documents to permit the purchase. s. 719.104(6)

6. Voting rights are made an appurtenance to the cooperative parcel. This change is intended to prevent voting rights from being infringed upon based on violations of rules or late payment of assessments. s. 719.105(1)(a).

7. Notice of the annual meeting may be mailed by regular mail or hand delivered if an officer of the association provides an affidavit stating that the notice was mailed or hand delivered to the address last furnished to the association by each unit owner. s. 719.106(1)(d)

8. With regard to the budget meeting, the notice and copy of the proposed annual budget must be provided at least 14 days prior to the meeting, rather than 30 days prior to the meeting. s. 719.106(1)(e)

9. Mandatory arbitration is imposed when the board of directors fails to certify the recall of a board member within 3 days of a recall vote by the unit owners (or, if the recall is by written agreement, within 3 days of receipt of the agreement by certified mail). s. 719.106(1)(f)

10. Fees may not be charged relating to the transfer of a unit (such as for approvals for sale or lease of a unit) unless

provided for in the cooperative documents. If so provided, the fee may not exceed \$50., and no charge shall be made for renewals of leases with the same lessee. s. 719.106(1)(i)

11. For cooperatives with over 50 units, officers and directors must be bonded for no less than \$10,000 each. s. 719.106(1)(k)

12. Cooperatives must provide for voluntary binding arbitration of internal disputes. s. 719.106(1)(l)

13. If the cooperative documents do not provide for a rate of interest on past due rents and assessment, interest shall accrue at 18% per annum. s. 719.108

14. Provision is made for excusing the developer from payment of common expenses where the level of assessments is guaranteed. s. 719.108(8)

15. The specific purpose of any special assessment must be set forth in a written notice to be delivered to each unit owner. If the funds are not used for the purpose indicated in the notice, they shall be returned to the unit owners. s. 719.108(9)

16. In accordance with provisions in the Florida Tax Code, this section specifies that ad valorem taxes and special assessments shall be assessed against cooperative parcels and not upon the cooperative parcel as a whole. The assessment constitutes a lien only on the cooperative parcel. Contractual provisions are enforceable after foreclosure of an assessment to the same extent they could be enforceable against a voluntary purchase of the property.

17. The Division of Land Sales, Condominiums and Mobile Homes is directed to establish a procedure for the voluntary arbitration of internal disputes. Upon request a trial de novo is provided. The decision of the arbitrator is admissible in evidence. s. 715.1255

18. Escrow agents appointed to take sales or reservation deposits are required to be independent of the developer. s. 719.202(8)

19. Prior to turnover of control of the association to the unit owners the developer is responsible for violations of Chapter 719 or the rules adopted by the Division. s. 719.301(5)

20. Any contract made by the developer or the association while it is still developer controlled, which requires the association to purchase cooperative property or lease cooperative property to another party is deemed ratified unless rejected by the unit owners within 18 months of turnover. s. 719.302(2)

21. If the cooperative documents so allow, the association may levy fines against unit owners for failure to comply with the documents or rules of the cooperative. No fine shall exceed \$50 and no fine shall become a lien against a unit. s. 719.303(3)

22. Phase development of a cooperative would be permitted not only if provided for originally in the documents, but also by amendment to the documents if such amendment is approved by all of the unit owners and mortgagees. All phases, if they are to be built, must be completed within 7 years. s.719.403(1)

23. The provisions relating to phase cooperatives are amended to:

a. permit modification as to the unit or building type to the extent described in the documents;

b. provide that square footage figures may be given as maximums and minimums, but that the difference between the minimum and maximum square footage may not be greater than 20% of the maximum;

c. allow a formula to be used in reallocating the proportion of ownership in the common areas, sharing common expenses and owning common surplus;

d. permit the developer to reserve the right to add additional recreational facilities if the original declaration contains a description and proposed location. s. 719.403(2)

24. Provides that any amendments by the developer to a phase shall be consistent with the provisions of the documents. Any such amendment shall contain, among other things, a legal description of the land being added, an identification of each unit, a survey of the land to be added, a graphic description of the improvements, a plot plan and a surveyor's certificate.

25. Requires a disclosure in the contract to purchase, that a buyer has a 15-day voidability period after notice of any amendment which materially alters or modifies the offering in a manner adverse to the buyer. This right may not be waived.

26. Requires, where appropriate, a disclosure in conspicuous type in the prospectus, that the cooperative is a phase cooperative. If the buildings and units in subsequent phases are permitted to vary substantially from buildings and units in the original cooperative, a description of the extent of possible change must be provided. s. 719.504

27. Provides that tenants residing in rental units which are being converted to cooperative have the right to terminate the rental agreement or an extension thereof, upon 30 days' written notice. The amendment limits this right to terminate to

those leases or extensions having an unexpired term of 180 days or less. s. 719.606(3)

28. Provides to tenants who have lived in a rental unit for six months prior to notice of conversion of the premises to cooperative, a right of first refusal to purchase the unit. The amendment to paragraph (1)(c) excepts from the right of first refusal requirement, those units for which an offer is made for more than one unit to one purchaser. s. 719.612(1)(c)

29. Requires a developer converting a cooperative to disclose, among several items already required, the condition of the structure and fireproofing and fire protection system. s 719.606


II. ECONOMIC IMPACT: None.

III. STATE COMPREHENSIVE PLAN IMPACT: None.

IV. COMMENTS:

V. AMENDMENTS:

VI. PREPARED BY Debby Kaveney 

VII. STAFF DIRECTOR Richard Hixson 

Date: April 8, 1986

Revised: _____

Final: _____

HOUSE OF REPRESENTATIVES
COMMITTEE ON JUDICIARY
STAFF ANALYSIS

BILL #: HB 661

RELATING TO: Condominiums

SPONSOR(S): Kimmel

EFFECTIVE DATE: January 1, 1987

COMPANION BILL(S): SB 429

OTHER COMMITTEES OF REFERENCE: (1) Appropriations

(2) _____

I. SUMMARY:

A. Present Situation:

Section 718.112(2)(f)2., F.S., provides that the annual budget for a condominium must include reserve accounts for capital expenditures and deferred maintenance, unless a majority of the members present at a meeting of the association vote to not fund or to not fully fund such accounts.

The Division of Florida Land Sales, Condominiums, and Mobile Homes has adopted a rule stating that for purposes of determining reserves, a capital expenditure is an expense that results from the purchase or replacement of an asset with a life greater than one year, or the addition of an asset that extends the life of the previously existing asset for a period greater than one year. Deferred maintenance is an expenditure for maintenance or repair that will result in extending the life of an asset for a period greater than one year. Rule 7D-23.04, F.A.C.

There has been quite a bit a confusion among condominium associations as to what items are required to be included in their computation of reserve accounts.

B. Effect of Proposed Changes:

HB 661 provides that budget reserve provision need only be made for items for which the deferred maintenance expense or replacement cost is greater than \$10,000. This limitation should greatly assist boards of directors in preparing their budgets.

II. ECONOMIC IMPACT: None.

Page 2

Bill #661

Date: April 8, 1986

III. STATE COMPREHENSIVE PLAN IMPACT: None.

IV. COMMENTS:

V. AMENDMENTS:

VI. PREPARED BY: Debby Kearney dk

VII. STAFF DIRECTOR: Richard Hixson rh

STORAGE NAME: SS HB 1274

Date: February 19, 1985
Revised: April 22, 1985
Final: _____

HOUSE OF REPRESENTATIVES
COMMITTEE ON JUDICIARY
STAFF ANALYSIS

BILL# HB 1274 SPONSOR Comm. on Judiciary

EFFECTIVE DATE Oct. 1, 1985 IDENTICAL/SIMILAR BILLS _____

RELATING TO Cooperatives

OTHER COMMITTEES OF REFERENCE _____

I. SUMMARY:

A. Present Situation:

In 1984 a substantial number of amendments were made to Chapter 718, F.S., (Condominiums). It has been discovered that a few of these amendments need either clarifying or technical changes. The Cooperative Act (Chapter 719, F.S.), is very similar to the Condominium Act, but has not been amended in the last few years to reflect changes made in the parallel condominium provisions.

B. Effect of Proposed Changes:

Section 718.111(4), F.S., is amended to clarify under what circumstances a condominium association may charge unit owners for the use of common elements or association-owned property. Such circumstances would include where there is a provision for use fees in the declaration, where a majority of the association votes for such fees and where fees are imposed against an owner who has exclusive use of the property.

Language regarding the vote required to amend the bylaws in s. 718.112(1)(b), F.S., is deleted since s. 718.112(2)(h), F.S., currently provides a conflicting method. Therefore, unless otherwise provided in the bylaws, amendments to the bylaws must be approved by at least two-thirds of the voting interests.

Section 718.112(2)(i), F.S., is amended to state that with regard to the transfer fee that may be charged by the association to approve the sale or lease of a unit, husband and wife or parent and dependent children are to be considered as one applicant and therefore only one fee may be charged in such instances.

The notice of intended conversion of an apartment to condominium pursuant to s. 718.608, F.S., is amended to reflect a change made last year in the substance of the law. That change

provided that a tenant is entitled to terminate his rental agreement after notice of conversion if the agreement has an unexpired term of 180 days or less.

The balance of this bill principally makes the parallel changes in the Cooperative Act, where appropriate, that were previously made to the Condominium Act. These include:

1. Redefining the term "developer" to exclude condominium associations which create a cooperative by conversion of an existing condominium if the unit owners are to be the same people. s. 719.103(12)

2. Defining the terms "conspicuous type," "limited common areas" and "common areas." s. 719.103

3. Official records of the cooperative are designated, along with a requirement that such records be open to inspection and copying by members of the association.

4. The association is granted the power to make and collect assessments, but is prohibited from charging a use fee for a unit owner to use any of the common areas. s. 719.104(5)

5. The association is granted the power to purchase land or recreational leases. If the cooperative documents do not otherwise provide for such acquisitions, the vote required to approve the purchase shall be the same as that which would be required to amend the documents to permit the purchase. s. 719.104(6)

6. Voting rights are made an appurtenance to the cooperative parcel. This change is intended to prevent voting rights from being infringed upon based on violations of rules or late payment of assessments. s. 719.105(1)(a).

7. Notice of the annual meeting may be mailed by regular mail or hand delivered if an officer of the association provides an affidavit stating that the notice was mailed or hand delivered to the address last furnished to the association by each unit owner. s. 719.106(1)(d)

8. With regard to the budget meeting, the notice and copy of the proposed annual budget must be provided at least 14 days prior to the meeting, rather than 30 days prior to the meeting. s. 719.106(1)(e)

9. Mandatory arbitration is imposed when the board of directors fails to certify the recall of a board member within 3 days of a recall vote by the unit owners (or, if the recall is by written agreement, within 3 days of receipt of the agreement by certified mail). s. 719.106(1)(f)

10. Fees may not be charged relating to the transfer of a unit (such as for approvals for sale or lease of a unit) unless provided for in the cooperative documents. If so provided the fee may not exceed \$50., and no charge shall be made for renewals of leases with the same lessee. s. 719.106(1)(i)

11. For cooperatives with over 50 units, officers and directors must be bonded for no less than \$10,000 each. s. 719.106(1)(k)

12. Cooperatives must provide for voluntary binding arbitration of internal disputes. s. 719.106(1)(l)

13. If the cooperative documents do not provide for a rate of interest on past due rents and assessment, interest shall accrue at 18% per annum. s. 719.108

14. Provision is made for excusing the developer from payment of common expenses where the level of assessments is guaranteed. s. 719.108(8)

15. The specific purpose of any special assessment must be set forth in a written notice to be delivered to each unit owner. If the funds are not used for the purpose indicated in the notice, they shall be returned to the unit owners. s. 719.108(9)

16. The Division of Land Sales, Condominiums and Mobile Homes is directed to establish a procedure for the voluntary arbitration of internal disputes. Upon request a trial de novo is provided. The decision of the arbitrator is admissible in evidence. s. 715.1255

17. Escrow agents appointed to take sales or reservation deposits are required to be independent of the developer. s. 719.202(8)

18. Clarifies that prior to turnover of control of the association to the unit owners the developer is responsible for violations of Chapter 719 or the rules adopted by the Division. s. 719.301(5)

19. Provides that any contract made by the developer or the association while it is still developer controlled, which requires the association to purchase cooperative property or lease cooperative property to another party is deemed ratified unless rejected by the unit owners within 18 months of turnover. s. 719.302(2)

20. Provides that if the cooperative documents so allow, the association may levy fines against unit owners for failure to comply with the documents or rules of the cooperative. No fine shall exceed \$50 and no fine shall become a lien against a unit. s. 719.303(3)

21. Phase development of a cooperative would be permitted not only if provided for originally in the documents, but by amendment to the documents if such amendment is approved by all of the unit owners and mortgagees. All phases, if they are to be built, must be completed within 7 years. s.719.403(1)

22. The provisions relating to phase cooperatives are amended to:

a. permit modification as to the unit or building type to the extent described in the documents;

b. provide that square footage figures may be given as maximums and minimums, but that the difference between the minimum and maximum square footage may not be greater than 20% of the maximum;

c. allow a formula to be used in reallocating the proportion of ownership in the common areas, sharing common expenses and owning common surplus;

d. permit the developer to reserve the right to add additional recreational facilities if the original declaration contains a description and proposed location. s. 719.403(2)

23. Provides that any amendments by the developer to a phase shall be consistent with the provisions of the documents. Any such amendment shall contain, among other things, a legal description of the land being added, an identification of each unit, a survey of the land to be added, a graphic description of the improvements, a plot plan and a surveyor's certificate.

24. Requires a disclosure in the contract to purchase, that a buyer has a 15-day voidability period after notice of any amendment which materially alters or modifies the offering in a manner adverse to the buyer. This right may not be waived.

25. Requires, where appropriate, a disclosure in conspicuous type in the prospectus, that the cooperative is a phase cooperative. If the buildings and units in subsequent phases may vary substantially from buildings and units in the original cooperative, a description of the extent of possible change must be provided. s. 719.504

26. Provides that tenants residing in rental units which are being converted to cooperative have the right to terminate the rental agreement or an extension thereof, upon 30 days' written notice. The amendment limits this right to terminate to those leases or extensions having an unexpired term of 180 days or less. s. 719.606(3)

27. Provides to tenants who have lived in a rental unit for six months prior to notice of conversion of the premises to cooperative, a right of first refusal to purchase the unit. The

amendment to paragraph (1)(c) excepts from the right of first refusal requirement, those units for which an offer is made for more than one unit to one purchaser. s. 719.612(1)(c)

28. Requires a developer converting a cooperative to disclose, among several items already required, the condition of the structure and fireproofing and fire protection system. s 719.606

II. ECONOMIC IMPACT: None.

III. COMMENTS:

IV. AMENDMENTS:

V. PREPARED BY Debby Kaveney *dk*

VI. STAFF DIRECTOR Richard Hixson *RH*

STORAGE NAME: 86 SS HB 173

Date: April 27, 1986

Revised: _____

Final: _____

HOUSE OF REPRESENTATIVES
COMMITTEE ON JUDICIARY
STAFF ANALYSIS

19 1491

BILL #: CS/HB 173, 410, 661

RELATING TO: Condominiums

SPONSOR(S): Comm.on Judiciary, Lippman, Rochlin, Kimmel & others

EFFECTIVE DATE: October 1, 1986

COMPANION BILL(S): SBs 140, 192 & 429

OTHER COMMITTEES OF REFERENCE: (1) Appropriations

(2) _____

I. SUMMARY:

Sections 1 and 5. Sections 718.112(2)(b) and 719.106(1)(b), F.S., state that condominium and cooperative unit owners may vote by proxy. A proxy, like a power of attorney, is an instrument which authorizes an agent to act for the person who executed it. A voting proxy, as contemplated in Chapters 718 and 719, F.S., is a limited power of attorney which authorizes the attorney in fact to vote on behalf of the unit owner at the election specified in the instrument. Rules adopted pursuant to s. 718.112(2)(b), F.S., require the proxy to contain such information as the date the proxy was given, and the date, time and place of the meeting for which the proxy was given. Rule 7D-23.02, F.A.C.

The Division of Florida Land Sales, Condominiums, and Mobile Homes has taken the position that a unit owner may vote only in person or by proxy, and that a power of attorney must conform to the statute and rules relating to proxies in order to give the holder the right to vote. However, some condominiums have permitted those acting pursuant to general powers of attorney to vote on behalf of unit owners in condominium elections.

CS/HB 173, 410 and 661 creates ss. 718.1035 and 719.1035, F.S., which clarify the fact that the use of a power of attorney is subject to the provisions of the Condominium and Cooperative Acts, as well as to all condominium or cooperative documents and rules in force at the time the power of attorney was executed.

Sections 2 and 6. Section 718.111(3), F.S., specifies the powers of the association, which include maintaining actions on behalf of all unit owners concerning matters of common interest. CS/HB 173, 410, and 661 provides specifically that the association has the power to maintain eminent domain actions.

Section 718.111(11), F.S., requires condominium associations to maintain adequate insurance to protect the association, its property and the condominium property. The statute directs that, for the purpose of association policies, the word "building" include fixtures, installations, or additions comprising the unfinished interior surfaces of the walls, floors, and ceilings of the individual units. This provision was amended in 1984 to provide, however, that floor coverings, wall coverings, and ceiling coverings are not included in the definition of building. The CS/HB 173, 410 and 661 provides that the 1984 amendment would not apply to condominiums in which the condominium documents required that the floor coverings, wall coverings, and ceiling coverings be covered in the association insurance policy. This amendment is considered to be clarifying in nature because of the constitutional provision prohibiting that any law impair the obligation of contract.

Section 718.111(12), F.S., provides a listing of items that are considered official records of the condominium. The bill adds to subparagraph (a)12., ballots, sign-in sheets, and all other papers relating to elections, in addition to the existing provision that voting proxies are official records. These same documents are added to s. 719.104, F.S., in a reformatted section relating to official records of cooperatives.

Sections 3 and 7. Sections 718.112(2)(f)2. and 719.106(1)(1)2., F.S., provide that the annual budget for a condominium or cooperative must include reserve accounts for capital expenditures and deferred maintenance, unless a majority of the members present at a meeting of the association vote to not fund or to not fully fund such accounts. The Division of Florida Land Sales, Condominiums, and Mobile Homes has adopted a rule stating that for purposes of determining reserves, a capital expenditure is an expense that results from the purchase or replacement of an asset with a life greater than one year, or the addition of an asset that extends the life of the previously existing asset for a period greater than one year. Deferred maintenance is an expenditure for maintenance or repair that will result in extending the life of an asset for a period greater than one year. Rule 7D-23.04, F.A.C. There has been quite a bit of confusion among associations as to what items are required to be included in their computation of reserve accounts.

The CS/HB 173, 410 and 661 provides that budget reserve provisions need only be made for items for which the deferred maintenance expense or replacement cost is greater than \$10,000. This limitation should greatly assist boards of directors in preparing their budgets.

The bill provides that associations may accelerate assessments if a unit owner has become delinquent in the payment of common expenses.

Sections 4 and 8. Sections 718.116(4) and 719.108(4), F.S., provide that the association has a lien on condominium or cooperative parcels for any unpaid assessments. Currently, the mortgagee of a first mortgage who obtains title to a unit through foreclosure or by deed in lieu of foreclosure, is excused from assessments which accrued prior to the conveyance. The CS/HB 173, 410 and 661 provides that

the lien for assessments is superior to all other liens and encumbrances except a lien for real estate taxes and other governmental assessments or charges against the unit, and a first mortgage or deed of trust to the extent of assessments which became due during the six months preceding judgment of foreclosure or delivery of a deed in lieu of foreclosure. In addition, the bill provides that liens on unpaid assessments expire if a claim of lien is not filed within 1 year of the date the assessment was due.

II. ECONOMIC IMPACT:

A. Public:

The lien provisions in Sections 4 and 8 of the bill should have the effect of encouraging lenders to foreclose more expeditiously on units that are abandoned or those for which in all likelihood the defaulting borrower will not rehabilitate himself. Since the mortgagee is exempt from liability for unpaid assessments only until it assumes title, these amendments should favorably affect individual unit owners who must now assume the cost for common expenses not being paid by unforeclosed but delinquent units.

B. Government:

None

III. STATE COMPREHENSIVE PLAN IMPACT:

None

IV. COMMENTS:

V. AMENDMENTS:

VI. PREPARED BY: Debby Kearney

VII. STAFF DIRECTOR: Richard Hixson

1	A bill to be entitled	1:btc
2	An act relating to condominiums and	1.3
3	cooperatives; amending s. 718.111, F.S.,	
4	relating to assessments by condominium	
5	associations; amending s. 718.112, F.S.,	1.4
6	relating to the vote required to amend	
7	condominium bylaws and relating to transfer	1.5
8	fees; amending s. 718.608, F.S., relating to	
9	notice of intended conversion; amending s.	1.6
10	719.103, F.S., providing definitions; creating	
11	s. 719.1035, F.S., providing for the creation	1.8
12	of cooperatives; amending s. 719.104, F.S.,	1.9
13	providing for cooperative records; providing	
14	for assessments; providing for purchase of	
15	leases; amending s. 719.105, F.S., relating to	1.11
16	appurtenances to cooperative parcels; amending	
17	s. 719.106, F.S., relating to bylaws and	1.12
18	cooperative ownership; amending s. 719.107,	1.13
19	F.S., relating to common expenses and	
20	assessments; amending s. 719.108, F.S.,	1.14
21	providing for rents and assessments, liability,	1.15
22	liens, interest and collections; amending s.	
23	719.109, F.S., providing for the right of	1.16
24	owners to peaceably assemble; amending s.	
25	719.110, F.S., relating to limitations on	1.17
26	actions by the cooperative association;	
27	amending s. 719.111, F.S., relating to	
28	attorney's fees; amending s. 719.112, F.S.,	1.18
29	relating to the unconscionability of certain	1.19
30	leases and rebuttable presumptions; creating s.	
31	719.1255, F.S., providing for the voluntary	1.21

1	arbitration of certain disputes; amending s.	
2	719.202, F.S., providing for sales or	1.22
3	reservation deposits prior to closing; amending	
4	s. 719.203, F.S., relating to warranties;	
5	amending s. 719.301, F.S., relating to transfer	1.23
6	of association control; amending s. 719.302,	1.24
7	F.S., relating to agreements entered into by	
8	the association; amending s. 719.303, F.S.,	1.26
9	relating to obligations of cooperative owners;	
10	amending s. 719.304, F.S., relating to the	
11	association's right to amend cooperative	1.27
12	documents; amending s. 719.401, F.S., providing	1.28
13	an exemption to certain leasehold provisions;	
14	providing criteria for the application of	1.29
15	current leasehold provisions with respect to	
16	certain cooperatives; amending s. 719.403,	1.30
17	F.S., providing criteria for phase	
18	cooperatives; amending s. 719.501, F.S.,	
19	relating to the powers and duties of the	1.31
20	Division of Florida Land Sales, Condominiums,	
21	and Mobile Homes of the Department of Business	1.33
22	Regulation; amending s. 719.502, F.S., relating	
23	to filing prior to sale or lease; amending s.	1.34
24	719.503, F.S., relating to disclosure prior to	
25	sale; amending s. 719.504, F.S., relating to	1.35
26	required elements in the prospectus or offering	
27	circular; amending s. 719.506, F.S., relating	1.36
28	to the publication of false and misleading	
29	information; amending s. 719.606, F.S.,	
30	providing for the termination of certain rental	1.37
31	agreements with respect to the conversion of	

1	existing improvements to cooperatives; amending	1.38
2	s. 719.608, F.S., relating to notice of	
3	intended conversion; amending s. 719.61, F.S.,	1.40
4	relating to notices; amending s. 719.612, F.S.,	1.41
5	relating to the right of first refusal;	
6	amending s. 719.616, F.S., relating to the	1.42
7	disclosure of certain information concerning	
8	cooperative improvements; amending s. 719.618,	
9	F.S., relating to warranties; providing an	1.43
10	effective date.	
11		
12	Be It Enacted by the Legislature of the State of Florida:	1:enc
13		
14	Section 1. Subsection (4) of section 718.111, Florida	1.44
15	Statutes, 1984 Supplement, is amended to read:	1.45
16	718.111 The association.--	1.47
17	(4) ASSESSMENTS; MANAGEMENT OF COMMON ELEMENTS.--The	1.48
18	association has the power to make and collect assessments and	1.50
19	to lease, maintain, repair, and replace the common elements;	1.51
20	however, the association <u>shall</u> may not charge <u>a use</u> any fee	1.52
21	against a unit owner for the use of common elements or	1.53
22	association property unless <u>otherwise provided for in the</u>	
23	<u>declaration of condominium or by a majority vote of the</u>	1.54
24	<u>association or unless the charges relate to expenses incurred</u>	1.55
25	<u>by an owner having exclusive use of the common elements or</u>	
26	<u>association property such-use-is-the-subject-of-a-lease</u>	1.56
27	<u>between-the-association-and-the-unit-owner.</u>	1.57
28	Section 2. Paragraph (b) of subsection (1) and	1.58
29	paragraph (i) of subsection (2) of section 718.112, Florida	1.59
30	Statutes, 1984 Supplement, are amended to read:	
31	718.112 Bylaws.--	1.60

1	(1) GENERALLY.--	1.61
2	(b) No amendment to the bylaws is valid unless	1.61
3	recorded, with identification on the first page thereof of the	1.63
4	book and page of the public records where the declaration of	1.64
5	each condominium operated by the association is recorded. The	1:10s
6	bylaws must be amended in accordance with the procedure and	
7	vote set forth in the bylaws or articles of incorporation;--if	2.2
8	the articles do not provide a procedure, the vote required	
9	shall be that required to amend the declaration of	2.3
10	condominium;	
11	(2) REQUIRED PROVISIONS.--The bylaws shall provide for	2.6
12	the following and, if they do not do so, shall be deemed to	
13	include the following:	2.7
14	(1) Transfer fees.--No charge shall be made by the	2.9
15	association or any body thereof in connection with the sale,	2.10
16	mortgage, lease, sublease, or other transfer of a unit unless	
17	the association is required to approve such transfer and a fee	2.11
18	for such approval is provided for in the declaration,	2.12
19	articles, or bylaws. Any such fee may be preset, but in no	2.13
20	event may such fee exceed \$50 <u>per applicant other than</u>	
21	<u>husband/wife or parent/dependent child, which are considered</u>	2.14
22	<u>one applicant.</u> However, if the lease or sublease is a renewal	2.15
23	of a lease or sublease with the same lessee or sublessee, no	2.16
24	charge shall be made.	
25	Section 3. Paragraph (a) of subsection (2) of section	2.17
26	718.608, Florida Statutes, as amended by chapter 85-60, Laws	2.18
27	of Florida, is amended to read:	2.19
28	718.608 Notice of intended conversion; time of	2.20
29	delivery; content.--	2.21
30	(2)(a) Each notice of intended conversion shall be	2.22
31	dated and in writing. The notice shall contain the following	2.23

1	statement, with the phrases of the following statement which	
2	appear in upper case printed in conspicuous type:	2.24
3		
4	These apartments are being converted to condominium by	2.25
5	...(name of developer)..., the developer.	
6	1. YOU MAY REMAIN AS A RESIDENT UNTIL THE EXPIRATION	2.26
7	OF YOUR RENTAL AGREEMENT. FURTHER, YOU MAY EXTEND YOUR RENTAL	2.27
8	AGREEMENT AS FOLLOWS:	
9	a. If you have continuously been a resident of these	2.28
10	apartments during the last 180 days and your rental agreement	
11	expires during the next 270 days, you may extend your rental	2.29
12	agreement for up to 270 days after the date of this notice.	2.30
13	b. If you have not been a continuous resident of these	2.30
14	apartments for the last 180 days and your rental agreement	2.31
15	expires during the next 180 days, you may extend your rental	
16	agreement for up to 180 days after the date of this notice.	2.32
17	c. IN ORDER FOR YOU TO EXTEND YOUR RENTAL AGREEMENT,	2.33
18	YOU MUST GIVE THE DEVELOPER WRITTEN NOTICE WITHIN 45 DAYS	
19	AFTER THE DATE OF THIS NOTICE.	2.34
20	2. IF YOUR RENTAL AGREEMENT EXPIRES IN THE NEXT 45	2.34
21	DAYS, you may extend your rental agreement for up to 45 days	2.35
22	after the date of this notice while you decide whether to	2.36
23	extend your rental agreement as explained above. To do so,	2.37
24	you must notify the developer in writing. You will then have	2.38
25	the full 45 days to decide whether to extend your rental	
26	agreement as explained above.	2.39
27	3. During the extension of your rental agreement you	2.40
28	will be charged the same rent that you are now paying.	2.41
29	4. YOU MAY CANCEL YOUR RENTAL AGREEMENT AND ANY	2.42
30	EXTENSION OF THE RENTAL AGREEMENT AS FOLLOWS:	2.43
31		

1	a. If your rental agreement began or was extended or	2.43
2	renewed after <u>May 1, 1980, and your rental agreement,</u>	1:1us
3	<u>including extensions and renewals, has an unexpired term of</u>	2.45
4	<u>180 days or less</u> ---(effective-date-of-part)--- , you may	
5	cancel your rental agreement upon 30 days' written notice and	2.47
6	move. Also, upon 30 days' written notice, you may cancel any	2.48
7	extension of the rental agreement.	2.49
8	b. If your rental agreement was not begun or was not	2.49
9	extended or renewed after <u>May 1, 1980</u> ---(effective-date-of	1:1us
10	part)--- , you may not cancel the rental agreement without the	2.52
11	consent of the developer. <u>If your rental agreement, including</u>	1:1us
12	<u>extensions and renewals, has an unexpired term of 180 days or</u>	2.56
13	<u>less,</u> you may, however, upon 30 days' written notice cancel	2.57
14	any extension of the rental agreement.	2.58
15	5. All notices must be given in writing and sent by	2.58
16	mail, return receipt requested, or delivered in person to the	2.60
17	developer at this address: ...(name and address of	
18	developer)....	
19	6. If you have continuously been a resident of these	2.62
20	apartments during the last 180 days:	
21	a. You have the right to purchase your apartment and	2.63
22	will have 45 days to decide whether to purchase. If you do	2.65
23	not buy the unit at that price and the unit is later offered	
24	at a lower price, you will have the opportunity to buy the	2.66
25	unit at the lower price. However, in all events your right to	3.2
26	purchase the unit ends when the rental agreement or any	
27	extension of the rental agreement ends or when you waive this	3.3
28	right in writing.	
29	b. Within 90 days you will be provided purchase	3.4
30	information relating to your apartment, including the price of	
31	your unit and the condition of the building. If you do not	3.6

1 receive this information within 90 days, your rental agreement 3.7
2 and any extension will be extended 1 day for each day over 90
3 days until you are given the purchase information. If you do 3.9
4 not want this rental agreement extension, you must notify the 3.10
5 developer in writing.

6 7. If you have any questions regarding this conversion 3.12
7 or the Condominium Act, you may contact the developer or the 3.13
8 state agency which regulates condominiums: The Division of
9 Florida Land Sales, Condominiums, and Mobile Homes 3.15
10 ...(Tallahassee address and telephone number of division).... 3.16
11 Section 4. Subsections (3), (4), (6), (8), (10), (11), 3.17
12 (12), (14), (15), and (16) of section 719.103, Florida 3.19
13 Statutes, are amended, and subsections (18), (19), and (20)
14 are added to said section, to read: 3.20
15 719.103 Definitions.--As used in this chapter: 3.22
16 (3) "Board of administration" means the board of 3.23
17 directors or other representative body responsible for 3.24
18 administration of the association.

19 (4) "Bylaws" means the bylaws of the association 3.25
20 ~~existing for-the-government-of-the-cooperative,-as-they-exist~~ 3.26
21 from time to time. 3.27
22 (6) "Common expenses" means all the expenses and 3.27
23 assessments properly incurred by the association for the 3.28
24 cooperative for-which-the-unit-owners-are-l-able-to-the 3.30
25 association.

26 (8) "Cooperative" means that form of ownership of 3.31
27 improved real property wherein legal title is vested in a
28 corporation or other entity and the beneficial use under-which 3.32
29 ~~there-are-units-subject-to-ownership-by-one-or-more-owners;~~ 3.35
30 and-the-ownership is evidenced by an ownership interest in the
31 association and a lease or other muniment of title or 3.36

1	possession granted by the association as the owner of all the	3.37
2	cooperative property.	
3	(10) "Cooperative parcel" means <u>the shares or other</u>	3.39
4	<u>evidence of ownership in the cooperative representing an a</u>	3.40
5	unit, together with the undivided share in the assets of the	
6	<u>association, together with the lease or other muniment of</u>	3.41
7	<u>title or possession which is appurtenant to the unit.</u>	1:1os
8	(11) "Cooperative property" means the lands,	3.43
9	leaseholds, and personal property <u>owned by a subject to</u>	1:1os
10	cooperative <u>association ownership and all other property owned</u>	3.46
11	<u>by the association.</u>	
12	(12) "Developer" means a person who creates a	3.47
13	cooperative or who offers cooperative parcels for sale or	3.48
14	lease in the ordinary course of business, but does not include	
15	the owner or lessee of a unit who has acquired or leased his	3.50
16	unit for his own occupancy, <u>nor does it include a condominium</u>	
17	<u>association which creates a cooperative by conversion of an</u>	3.51
18	<u>existing residential condominium after control of the</u>	
19	<u>association has been transferred to the unit owners if,</u>	3.52
20	<u>following the conversion, the unit owners will be the same</u>	3.53
21	<u>persons.</u>	
22	(14) "Unit" means a part of the cooperative property	3.53
23	which is subject to exclusive use and possession. A unit may	3.55
24	be improvements, land, or land and improvements together, as	3.57
25	specified in the cooperative <u>documents documentation.</u>	1:1os
26	(15) "Unit owner" or "owner of a unit" means the	3.59
27	person holding <u>a share in the cooperative association and a</u>	3.60
28	lease or other muniment of title or possession of a unit that	3.62
29	is granted by the association as the owner of the cooperative	3.63
30	property.	
31		

1	(16) "Residential cooperative" means a cooperative	3.64
2	consisting of cooperative units, any of which are intended for	3.66
3	use as a private residence, domicile, or homestead . A	4.2
4	cooperative is not a residential cooperative if the use of the	4.3
5	units is intended as primarily commercial or industrial and	4.4
6	not more than three units are intended to be used for private	
7	residence, domicile, or homestead ; or if the units are	4.5
8	intended to be used as housing for maintenance, managerial,	4.7
9	janitorial, or other operational staff of the cooperative. If	4.8
10	a cooperative is a residential cooperative under this	4.9
11	definition, but has units intended to be commercial or	4.11
12	industrial, then the cooperative is a residential cooperative	4.12
13	with respect to those units intended for use as a private	
14	residence, domicile, or homestead ; but not a residential	4.13
15	cooperative with respect to those units intended for use	4.14
16	commercially or industrially.	
17	<u>(18) "Conspicuous type" means type in capital letters</u>	1:1us
18	<u>no smaller than the largest type on the page on which it</u>	4.16
19	<u>appears.</u>	
20	<u>(19) "Limited common areas" means those common areas</u>	4.17
21	<u>which are reserved for the use of a certain cooperative unit</u>	
22	<u>or units to the exclusion of other units, as specified in the</u>	4.18
23	<u>cooperative documents.</u>	4.19
24	<u>(20) "Common areas" includes within its meaning the</u>	1:1us
25	<u>following:</u>	4.20
26	<u>(a) The cooperative property which is not included</u>	1:1us
27	<u>within the units.</u>	4.21
28	<u>(b) Easements through units for conduits, ducts,</u>	1:1us
29	<u>plumbing, wiring, and other facilities for the furnishing of</u>	4.22
30	<u>utility services to units and the common areas.</u>	4.23
31		

1	<u>(c) An easement of support in every portion of a unit</u>	1:1us
2	<u>which contributes to the support of a building.</u>	4.24
3	<u>(d) The property and installations required for the</u>	4.25
4	<u>furnishing of utilities and other services to more than one</u>	
5	<u>unit or to the common areas.</u>	4.26
6	<u>(e) Any other part of the cooperative property</u>	1:1us
7	<u>designated in the cooperative documents as common areas.</u>	4.27
8	Section 5. Section 719.1035, Florida Statutes, is	4.28
9	created to read:	
10	<u>719.1035 Creation of cooperatives.--The date when</u>	4.29
11	<u>cooperative existence shall commence shall be upon</u>	4.30
12	<u>commencement of corporate existence of the cooperative</u>	
13	<u>association as provided in s. 607.167.</u>	4.31
14	Section 6. Section 719.104, Florida Statutes, is	4.32
15	amended to read:	
16	719.104 Cooperatives; access to units; records;	4.33
17	<u>financial reports; assessments; purchase of leases.--</u>	4.34
18	<u>(1) RIGHT OF ACCESS TO UNITS.--The association has the</u>	4.36
19	<u>irrevocable right of access to each unit from time to time</u>	4.37
20	<u>during reasonable hours when necessary for the maintenance,</u>	4.38
21	<u>repair, or replacement of any structural components of the</u>	4.39
22	<u>building or of any mechanical, electrical, or plumbing</u>	
23	<u>elements---The-access-must-be necessary to prevent damage to</u>	4.40
24	<u>the building or to another unit.</u>	4.41
25	<u>(2) OFFICIAL RECORDS.--</u>	1:1us
26	<u>(a) From the inception of the association, the</u>	4.42
27	<u>association shall maintain a copy of each of the following,</u>	
28	<u>where applicable, which shall constitute the official records</u>	4.43
29	<u>of the association:</u>	
30	<u>1. The plans, permits, warranties, and other items</u>	4.44
31	<u>provided by the developer pursuant to s. 719.301(4);</u>	4.45

1	<u>2. A photocopy of the cooperative documents;</u>	4.46
2	<u>3. A copy of the current rules of the association;</u>	4.47
3	<u>4. A book or books containing the minutes of all</u>	1:lus
4	<u>meetings of the association, of the board of directors, and of</u>	4.48
5	<u>the unit owners, which minutes shall be retained for a period</u>	4.49
6	<u>of not less than 7 years;</u>	
7	<u>5. A current roster of all unit owners, their mailing</u>	4.50
8	<u>addresses, unit identifications, voting certifications, and if</u>	
9	<u>known, telephone numbers;</u>	4.51
10	<u>6. All current insurance policies of the association;</u>	4.52
11	<u>7. A current copy of any management agreement, lease,</u>	1:lus
12	<u>or other contract to which the association is a party or under</u>	4.53
13	<u>which the association or the unit owners have an obligation or</u>	4.54
14	<u>responsibility;</u>	
15	<u>8. Bills of sale or transfer for all property owned by</u>	4.55
16	<u>the association;</u>	
17	<u>9. Accounting records for the association and separate</u>	4.56
18	<u>accounting records for each unit it operates, according to</u>	
19	<u>good accounting practices. All accounting records shall be</u>	4.57
20	<u>maintained for a period of not less than 7 years. The</u>	4.58
21	<u>accounting records shall include, but are not limited to:</u>	
22	<u>a. Accurate, itemized, and detailed records of all</u>	4.59
23	<u>receipts and expenditures.</u>	4.60
24	<u>b. A current account and a monthly, bimonthly, or</u>	1:lus
25	<u>quarterly statement of the account for each unit designating</u>	4.61
26	<u>the name of the unit owner, the due date and amount of each</u>	4.62
27	<u>assessment, the amount paid upon the account, and the balance</u>	
28	<u>due.</u>	4.63
29	<u>c. All audits, reviews, accounting statements, and</u>	1:lus
30	<u>financial reports of the association.</u>	4.64
31		

1	<u>d. All contracts for work to be performed. Bids for</u>	4.65
2	<u>work to be performed shall also be considered official records</u>	
3	<u>and shall be maintained for a period of 1 year;</u>	4.66
4	<u>10. Voting proxies, which shall be maintained for a</u>	1:1us
5	<u>period of 1 year from the date of the meeting for which the</u>	5.1
6	<u>proxy was given.</u>	5.2
7	<u>11. All rental records where the association is acting</u>	1:1us
8	<u>as agent for the rental of units.</u>	5.3
9	<u>(b) The official records of the association shall be</u>	1:1us
10	<u>maintained in the county in which the cooperative is located.</u>	5.4
11	<u>(c) The official records of the association shall be</u>	5.5
12	<u>open to inspection by any association member or the authorized</u>	5.6
13	<u>representative of such member at all reasonable times.</u>	
14	<u>Failure to permit inspection of the association records as</u>	5.7
15	<u>provided herein entitles any person prevailing in an</u>	5.8
16	<u>enforcement action to recover reasonable attorney's fees from</u>	
17	<u>the person in control of the records who, directly or</u>	5.9
18	<u>indirectly, knowingly denies access to the records for</u>	
19	<u>inspection. The right to inspect the records includes the</u>	5.11
20	<u>right to make or obtain copies, at the reasonable expense, if</u>	5.12
21	<u>any, of the association member.</u>	
22	<u>(3) INSURANCE.--The association shall use its best</u>	5.13
23	<u>efforts to obtain and maintain adequate insurance to protect</u>	
24	<u>the association property.</u>	5.14
25	{2}--The association shall maintain accounting records	5.15
26	according to generally accepted accounting practices;--The	5.17
27	records shall be open to inspection by unit owners or their	5.18
28	authorized representatives at reasonable times; and written	5.19
29	summaries shall be supplied at least annually to unit owners	5.20
30	or their authorized representatives;--The records shall	5.21
31	include;	5.22

1	(a)--A record of all receipts and expenditures;	1:10s
2	(b)--An account for each unit, designating the name and	1:10s
3	address of the unit owner, the amount of each assessment, the	5.23
4	dates and amounts in which the assessments are due, the	5.24
5	amounts paid upon the account, and the balance due;	5.25
6	(3)--A copy of each insurance policy obtained by the	1:10s
7	association shall be made available for inspection at	5.26
8	reasonable times by unit owners;	
9	(4)--Failure of the association to permit inspection of	5.27
10	its records by unit owners or their authorized representatives	5.28
11	entitles any unit owners prevailing in an action for	5.29
12	enforcement of the right to inspect records to recover	5.30
13	reasonable attorney's fees from the association;	
14	(4)(5) <u>FINANCIAL REPORTS.</u> --Within 60 days following	5.31
15	the end of the fiscal or calendar year or annually on such	5.32
16	date as is otherwise provided in the bylaws of the	5.34
17	association, the board of administration of the association	5.35
18	shall mail or furnish by personal delivery to each unit owner	
19	a complete financial report of actual receipts and	5.37
20	expenditures for the previous 12 months. The report shall	5.38
21	show the amounts of receipts by accounts and receipt	
22	classifications and shall show the amounts of expenses by	5.39
23	accounts and expense classifications including, if applicable,	5.40
24	but not limited to, the following:	5.41
25	(a) Costs for security;	5.42
26	(b) Professional and management fees and expenses;	5.44
27	(c) Taxes;	5.45
28	(d) Costs for recreation facilities;	5.47
29	(e) Expenses for refuse collection and utility	5.48
30	services;	
31	(f) Expenses for lawn care;	5.50

1	(g) Costs for building maintenance and repair;	5.51
2	(h) Insurance costs;	5.53
3	(i) Administrative and salary expenses;	5.55
4	(j) General reserves, maintenance reserves, and	5.57
5	depreciation reserves.	
6	<u>(5) ASSESSMENTS.--The association has the power to</u>	1:lus
7	<u>make and collect assessments and to lease, maintain, repair,</u>	5.60
8	<u>and replace the common areas. However, the association shall</u>	5.61
9	<u>not charge any fee against the unit owner for the use of</u>	
10	<u>common areas unless otherwise provided for in the cooperative</u>	5.62
11	<u>documents or by a majority vote of the association or unless</u>	5.63
12	<u>the charges relate to expenses incurred by an owner having</u>	
13	<u>exclusive use of common areas.</u>	5.64
14	<u>(6) PURCHASE OF LEASES.--The association has the power</u>	1:lus
15	<u>to purchase any land or recreation lease upon the approval of</u>	5.65
16	<u>such voting interest as is required by the cooperative</u>	5.66
17	<u>documents. If the cooperative documents make no provision for</u>	6.1
18	<u>acquisition of the land or recreational lease, the vote</u>	6.2
19	<u>required shall be that required to amend the cooperative</u>	
20	<u>documents to permit the acquisition.</u>	6.3
21	Section 7. Subsection (1) of section 719.105, Florida	6.4
22	Statutes, is amended to read:	
23	719.105 Cooperative parcels; appurtenances; possession	6.6
24	and enjoyment.--	
25	(1) Each <u>cooperative parcel</u> unit has, as appurtenances	6.8
26	thereto:	
27	(a) Evidence of membership, ownership of shares, or	6.9
28	other interest in the association <u>with the full voting rights</u>	
29	<u>appertaining thereto.</u>	6.10
30	(b) An undivided share in the assets of the	6.11
31	association.	

1	(c) The exclusive right to use that portion of the	6.12
2	common areas as may be provided by the cooperative documents.	
3	(d) An undivided share in the common surplus	6.13
4	attributable to the unit.	
5	(e) Any other appurtenances provided for in the	6.14
6	cooperative documents.	
7	Section 8. Section 719.106, Florida Statutes, is	6.15
8	amended to read:	
9	719.106 Bylaws; cooperative ownership.--	6.17
10	(1) The bylaws or other cooperative documents <u>shall</u>	6.18
11	<u>provide for include</u> the following, and if they do not, they	6.19
12	<u>shall be deemed to include the following provisions:</u>	1:10s
13	(a) <u>Administration.--</u> The form of administration of the	6.21
14	association shall be described, <u>indicating providing-for</u> the	6.23
15	titles of the officers and <u>for-a</u> board of administration and	6.24
16	specifying the powers, duties, manner of selection and	6.26
17	removal, and compensation, if any, of officers and board	6.27
18	members. <u>In the absence of such a provision Unless otherwise</u>	1:1us
19	<u>provided-in-the-bylaws</u> , the board of administration shall be	6.30
20	composed of five members, except in the case of cooperatives	
21	having five or fewer units, in which case <u>in not-for-profit</u>	6.31
22	<u>corporations, the board shall consist of not less than three</u>	6.32
23	<u>members one-owner-of-each-unit-shall-be-a-member-of-the-board</u>	6.33
24	<u>of-administration. In the absence of provisions to the</u>	1:1us
25	<u>contrary Unless otherwise-provided-in-the-bylaws</u> , the board of	6.36
26	administration shall have a president, a secretary, and a	6.37
27	treasurer, who shall perform the duties of those offices	
28	customarily performed by officers of corporations and <u>these</u>	6.39
29	<u>officers-shall-serve-without-compensation-and-at-the-pleasure</u>	6.40
30	<u>of-the-board-of-administration. Unless prohibited otherwise</u>	6.41
31	<u>provided</u> in the bylaws, the board of administration may	6.42

1	appoint and-designate other officers and grant them <u>the</u> those	1:10s
2	duties it deems appropriate. <u>Unless otherwise provided in the</u>	1:1us
3	<u>bylaws, the officers shall serve without compensation and at</u>	6.47
4	<u>the pleasure of the board.</u>	
5	(b) <u>Quorum; proxies.--</u>	6.48
6	1. <u>Unless otherwise provided in the bylaws, the</u>	1:1us
7	<u>percentage of voting interests required to make decisions and</u>	6.49
8	<u>to constitute a quorum shall be a majority of voting</u>	
9	<u>interests, and</u> The-owners-of-a-majority-of-the-units	6.51
10	constitute-a-quorum; decisions shall be made by owners of a	6.53
11	majority of the <u>voting interests</u> units represented at a	6.55
12	meeting at which a quorum is present. <u>Unit owners may vote by</u>	1:1us
13	<u>proxy.</u> in-addition;-provision-shall-be-made-in-the-bylaws-for	6.58
14	definition-and-use-of-proxy;--However;-no-one-person-may-be	6.61
15	designated-to-hold-more-than-five-proxies-for-any-purpose	
16	unless-the-cooperative-has-been-registered-with-the-Securities	6.62
17	and-Exchange-Commission;	
18	2. Any proxy given shall be effective only for the	1:1us
19	specific meeting for which originally given and any lawfully	6.64
20	adjourned meetings thereof. In no event shall any proxy be	6.66
21	valid for a period longer than 90 days after the date of the	
22	first meeting for which it was given. Every proxy shall be	7.3
23	revocable at any time at the pleasure of the unit owner	
24	executing it.	
25	(c) <u>Notice of meetings.--Meetings</u> of the board of	7.5
26	administration shall be open to all unit <u>owners.</u> Adequate;	7.6
27	and notice of all meetings shall be posted in a conspicuous	7.7
28	place upon the cooperative property at least 48 hours in	7.8
29	advance, except in an emergency. Notice of any meeting in	7.10
30	which assessments against unit owners are to be considered for	
31	any reason shall specifically contain a statement that	7.12

1	assessments will be considered and the nature of any such	
2	assessments.	
3	(d) <u>Shareholder meetings.--There shall be an annual</u>	7.13
4	<u>meeting of the shareholders. Unit-owners-shall-meet-at-least</u>	7.16
5	<u>once-each-calendar-year,-and-the-meeting-shall-be-the-annual</u>	
6	<u>meeting.</u> All members of the board of administration shall be	7.20
7	elected at the annual meeting unless the bylaws provide for	7.21
8	staggered election terms or for their election at another	
9	meeting. The bylaws shall not restrict any unit owner	7.23
10	desiring to be a candidate for board membership from being	7.24
11	nominated from the floor. The bylaws shall provide the method	7.26
12	for calling the-unit-owners-to meetings, including annual	1:10s
13	meetings. <u>Written notice shall be given to each unit owner</u>	1:1us
14	The-method-shall-provide-at-least-14-days'-written-notice-to	7.30
15	each-unit-owner-in-advance-of-the-meeting-and-require-the	7.31
16	posting-in-a-conspicuous-place-on-the-cooperative-property-of	7.33
17	a-notice-of-the-meeting at least 14 days prior to the <u>annual</u>	
18	<u>meeting, and shall be posted in a conspicuous place.</u> Unless a	7.35
19	unit owner waives in writing the right to receive notice of	7.36
20	the annual meeting by-certified-mail , the notice of the annual	7.38
21	meeting shall be sent by certified mail to each unit owner,	7.39
22	and-the-mailing-constitutes-notice. <u>An officer of the</u>	1:1us
23	<u>association shall provide an affidavit, to be included in the</u>	
24	<u>official records of the association, affirming that notices of</u>	7.42
25	<u>the association meeting were mailed or hand delivered, in</u>	7.43
26	<u>accordance with this provision, to each unit owner at the</u>	
27	<u>address last furnished to the association. Any approval by</u>	7.45
28	<u>unit owners called for by this chapter, or the applicable</u>	
29	<u>cooperative documents, shall be made at a duly noticed meeting</u>	7.46
30	<u>of unit owners and shall be subject to all requirements of</u>	
31	<u>this chapter or the applicable cooperative documents relating</u>	7.47

1 to unit owner decisionmaking, except that unit owners may take 7.48
 2 action by written agreement, without meetings, on matters for
 3 which action by written agreement without meetings is 7.50
 4 expressly allowed by the applicable cooperative documents or
 5 any Florida statute which provides for the unit owner action. 7.51
 6 Unit owners may waive notice of specific meetings if allowed 7.52
 7 by the applicable cooperative documents or any Florida 7.53
 8 statute. These meeting requirements do not prevent unit 7.56
 9 owners from waiving notice of meetings or from acting by
 10 written agreement without meetings, if allowed by the bylaws 7.57
 11 or the other cooperative documents or by this chapter. 7.58
 12 ~~(e) Minutes of all meetings of unit owners and of the~~ 7.60
 13 ~~board of administration shall be kept in a businesslike manner~~
 14 ~~and shall be available for inspection by unit owners, or their~~ 7.62
 15 ~~authorized representative, and board members at reasonable~~ 7.63
 16 ~~times. The association shall retain these minutes for a~~ 7.65
 17 ~~period of not less than 7 years.~~
 18 ~~(e)(f) 1. Copies of a proposed annual budget of common~~ 8.1
 19 ~~expenses shall be mailed to the unit owners not less than 30~~ 8.2
 20 ~~days prior to the meeting at which the budget will be~~
 21 ~~considered, together with the notice of that meeting.~~ 8.3
 22 1.2. The board of administration shall mail a meeting 8.4
 23 notice and copies of the proposed annual budget of common 8.5
 24 expenses to the unit owners not less than 14 30 days prior to 8.7
 25 the meeting at which the budget will be considered. If the 8.9
 26 bylaws or other cooperative documents provide that the budget 8.10
 27 may be adopted by the board of administration, then the unit 8.11
 28 owners shall be given written notice of the time and place at
 29 which the meeting of the board of administration to consider 8.12
 30 the budget will be held. The meeting shall be open to the 8.14
 31 unit owners.

1 2.3- If an adopted a budget ~~is adopted by the board of~~ 8.17
 2 ~~administration~~ which requires assessment against the unit 8.18
 3 owners in any fiscal or calendar year exceeds ~~exceeding~~ 115
 4 percent of the such assessments for the preceding year, the 8.20
 5 ~~board, a special meeting of the unit owners shall be held~~ upon 8.21
 6 written application of 10 percent of the voting interests to 8.22
 7 the board, shall call a special meeting of the unit owners 8.23
 8 within 30 days, upon not less than 10 days' written notice to
 9 each unit owner. ~~unit owners. --Not less than 10 days' written~~ 8.26
 10 ~~notice shall be given to each unit owner, but the meeting~~
 11 ~~shall be held within 30 days of delivery of such application~~ 8.27
 12 ~~to the board of administration or any member thereof.~~ At the 8.29
 13 special meeting, unit owners shall may consider and enact a 8.30
 14 ~~revision of the~~ budget, ~~or recall any or all members of the~~ 8.32
 15 ~~board of administration and elect their successors, unless at~~ 8.34
 16 ~~that time the developer is in control of the board of~~
 17 ~~administration. --In either case,~~ Unless the bylaws shall 8.36
 18 require a larger vote, the adoption ~~revision~~ of the budget or 8.37
 19 ~~the recall of any or all members of the board of~~ 8.40
 20 ~~administration~~ shall require a vote of not less than a
 21 majority of all the voting interests ~~of the whole number of~~ 8.42
 22 ~~votes of all unit owners.~~
 23 3.4- The board of administration may, ~~in any event,~~ 8.44
 24 propose a budget to the unit owners at a meeting of members or
 25 by writing, and if the budget or proposed budget is approved 8.45
 26 by the unit owners at the meeting or by a majority of all 8.46
 27 voting interests ~~their whole number~~ in writing, the budget 8.47
 28 shall be adopted. If a meeting of the unit owners has been 8.49
 29 called and a quorum is not attained or a substitute budget is 8.50
 30 not adopted by the unit owners, the budget adopted by the
 31 board of directors shall go into effect as scheduled, that 8.51

1	budget shall not thereafter be examined by the unit owners nor	8.52
2	shall the board of administration be recalled under the terms	8.53
3	of this section.	8.54
4	4.5. In determining whether assessments exceed 115	8.55
5	percent of similar assessments for prior years, there shall be	8.56
6	excluded from the computation any <u>authorized provisions</u>	1:1us
7	<u>provision</u> for reasonable reserves made by the board of	8.58
8	administration for repair or replacement of cooperative	8.59
9	property, or for anticipated expenses by the association which	8.60
10	are not anticipated to be incurred on a regular or annual	8.61
11	basis, <u>or assessments</u> and the computation shall not include	
12	<u>assessment</u> for betterments to the cooperative property <u>shall</u>	8.63
13	<u>be excluded from the computation, if the bylaws so provide or</u>	8.64
14	allow the establishment of reserves or assessments for	8.65
15	betterments to be imposed by the board of administration.	8.66
16	However, as long as the developer is in control of the board	9.2
17	of administration, the board shall not impose an assessment	
18	for any year greater than 115 percent of the prior fiscal or	9.3
19	calendar year's assessment without approval of a majority of	9.4
20	all <u>voting interests</u> unit owners.	9.5
21	(f)(k) Subject to the provisions of s. 719.301, any	9.7
22	member of the board of administration may be recalled and	
23	removed from office with or without cause by the vote or	9.9
24	agreement in writing by a majority of all <u>the voting</u>	
25	<u>interests.</u> A special meeting of the <u>voting interests</u> to	9.11
26	recall a member or members of the board of administration may	9.14
27	be called by 10 percent of the unit owners giving notice of	9.15
28	the meeting as required for a meeting of unit owners, and the	
29	notice shall state the purpose of the meeting.	9.17
30	1. <u>If the recall is approved by a majority of all</u>	1:1us
31	<u>voting interests by a vote at a meeting, the recall shall be</u>	9.19

1 effective immediately, and the recalled member or members of
2 the board of administration shall turn over to the board any 9.20
3 and all records of the association in their possession within 9.21
4 72 hours after the meeting.

5 2. If the proposed recall is by an agreement in 9.22
6 writing by a majority of all voting interests, the agreement
7 in writing shall be served on the association by certified 9.24
8 mail. The board of administration shall call a meeting of the 9.25
9 board within 72 hours after receipt of the agreement in 9.26
10 writing and shall either certify the written agreement to
11 recall a member or members of the board, in which case such 9.27
12 member or members shall be recalled effective immediately and
13 shall turn over to the board, within 72 hours, any and all 9.28
14 records of the association in their possession, or proceed as 9.29
15 described in subparagraph 3.

16 3. If the board determines not to certify the written 9.30
17 agreement to recall a member or members of the board, or if
18 the recall by a vote at a meeting is disputed, the board 9.31
19 shall, within 72 hours, file with the division a petition for 9.32
20 binding arbitration pursuant to the procedures of s. 719.1255.
21 For purposes of this section, the unit owners who voted at the 9.33
22 meeting or who executed the agreement in writing shall 9.34
23 constitute one party under the petition for arbitration. If 9.35
24 the arbitrator certifies the recall as to any member or
25 members of the board, the recall shall be effective upon 9.36
26 service of the final order of arbitration upon the
27 association. If the association fails to comply with the 9.37
28 order of the arbitrator, the division may take action pursuant 9.38
29 to s. 718.501. Any member or members so recalled shall 9.39
30 deliver to the board any and all records of the association in 9.40
31

1	<u>their possession within 72 hours of the effective date of the</u>	
2	<u>recall.</u>	
3	(g) The manner of collecting from the unit owners	9.42
4	their shares of the common expenses shall be stated.	9.43
5	Assessments shall be made against unit owners not less	9.45
6	frequently than quarterly, in <u>an amount</u> amounts no less than	1:10s
7	<u>is</u> are required to provide funds in advance for payment of all	9.47
8	of the anticipated current operating expense and for all of	9.48
9	the unpaid operating expense previously incurred.	
10	(h) If the transfer, lease, or sublease of a unit is	9.49
11	subject to approval of any body, no fee may be charged in	9.50
12	connection with a transfer or approval in excess of the	9.51
13	expenditures reasonably required for the transfer or \$50,	
14	whichever is less. No charge may be made in connection with	9.53
15	an extension or renewal of a lease or sublease.	9.54
16	(h) (i) The method by which the bylaws may be amended	9.56
17	consistent with the provisions of this chapter shall be	9.57
18	stated. If the bylaws fail to provide a method of amendment,	9.59
19	the bylaws may be amended if the amendment is approved by	9.60
20	owners of not less than two-thirds of the <u>voting interests</u>	
21	units . No bylaw shall be revised or amended by reference to	9.63
22	its title or number only. Proposals to amend existing bylaws	9.65
23	shall contain the full text of the bylaws to be amended; new	9.66
24	words shall be inserted in the text underlined, and words to	
25	be deleted shall be lined through with hyphens. However, if	10.3
26	the proposed change is so extensive that this procedure would	10.4
27	hinder, rather than assist, the understanding of the proposed	10.5
28	amendment, it is not necessary to use underlining and hyphens	
29	as indicators of words added or deleted, but, instead, a	10.6
30	notation must be inserted immediately preceding the proposed	10.7
31	amendment in substantially the following language:	

1	"Substantial rewording of bylaw. See bylaw.... for present	10.9
2	text." Nonmaterial errors or omissions in the bylaw process	10.11
3	shall not invalidate an otherwise properly promulgated	10.12
4	amendment.	
5	{j}--The-officers-and-directors-of-the-association-have	1:10s
6	a-fiduciary-relationship-to-the-unit-owners;	10.15
7	<u>(1) Transfer fees.--No charge shall be made by the</u>	1:1us
8	<u>association or any body thereof in connection with the sale,</u>	10.17
9	<u>mortgage, lease, sublease, or other transfer of a unit unless</u>	
10	<u>the association is required to approve such transfer and a fee</u>	10.18
11	<u>for such approval is provided for in the cooperative</u>	10.19
12	<u>documents. Any such fee may be preset, but in no event shall</u>	10.20
13	<u>exceed \$50 per applicant other than husband/wife or</u>	10.21
14	<u>parent/dependent child, which are considered one applicant.</u>	
15	<u>However, if the lease or sublease is a renewal of a lease or</u>	10.22
16	<u>sublease with the same lessee or sublessee, no charge shall be</u>	10.23
17	<u>made.</u>	
18	{j}{+} <u>Annual budget.--The</u> proposed annual budget of	10.24
19	common expenses shall be detailed and shall show the amounts	10.26
20	budgeted by accounts and expense classifications, including,	
21	if applicable, but not limited to, those expenses listed in s.	10.28
22	719.504(20). In addition to annual operating expenses, the	10.29
23	budget shall include reserve accounts for capital expenditures	10.30
24	and deferred maintenance. These accounts shall include, but	10.32
25	not be limited to, roof replacement, building painting, and	
26	pavement resurfacing. The amount to be reserved shall be	10.34
27	computed by means of a formula which is based upon estimated	
28	life and estimated replacement cost of each reserve item.	10.36
29	This subsection shall not apply to any budget in which the	10.37
30	members of an association have, by a vote of the majority of	10.38
31	the members present at a duly called meeting of the	10.40

1	association, determined for a fiscal year to provide no	
2	reserves or reserves less adequate than required by this	10.42
3	subsection. <u>If a meeting of the unit owners has been called</u>	10.43
4	<u>to determine to provide no reserves, or reserves less adequate</u>	10.44
5	<u>than required, and such result is not attained or a quorum is</u>	
6	<u>not attained, the reserves as included in the budget shall go</u>	10.45
7	<u>into effect.</u>	
8	<u>(k) Bonding of officers and directors.--The fidelity</u>	10.46
9	<u>bonding of all officers or directors of any association, who</u>	10.47
10	<u>control or disburse funds of the association, shall be in the</u>	
11	<u>principal sum of not less than \$10,000 for each such officer</u>	10.48
12	<u>or director. The association shall bear the cost of bonding.</u>	10.49
13	<u>This paragraph shall not apply to any association operating a</u>	10.50
14	<u>cooperative consisting of 50 units or fewer. However, any</u>	10.52
15	<u>cooperative association may bond any officer of the</u>	
16	<u>association, and the association shall bear the cost of</u>	10.53
17	<u>bonding.</u>	
18	<u>(l) Arbitration.--There shall be a provision for</u>	10.54
19	<u>voluntary binding arbitration of internal disputes arising</u>	
20	<u>from the operation of the cooperative among unit owners,</u>	10.55
21	<u>associations, and their agents and assigns.</u>	
22	{m}--The association has the power to purchase any land	10.56
23	or recreation lease upon the approval of two-thirds of the	10.57
24	unit owners, unless a different number or percentage is	10.58
25	provided in the bylaws or other cooperative documents.	10.59
26	<u>(2) OPTIONAL PROVISIONS.--The bylaws may provide for</u>	10.61
27	<u>the following:</u>	
28	<u>(a) A method of adopting and of amending</u>	10.62
29	<u>administrative rules and regulations governing the details of</u>	
30	<u>the operation and use of the common areas.</u>	10.63
31		

1	(b) Restrictions on, and requirements <u>for</u> respecting,	10.64
2	the use, and maintenance <u>and appearance</u> of the units and the	11.1us
3	use of the common areas, not inconsistent with the cooperative	11.1
4	documents, designed to prevent unreasonable interference with	11.2
5	the use of the units and common areas.	
6	(c) Other provisions not inconsistent with this	11.3
7	chapter or with the cooperative documents as may be desired.	11.4
8	{3}--Unless otherwise provided in the cooperative	11.10s
9	documents as originally recorded; no amendment thereto may	11.6
10	change the configuration or size of any cooperative unit in	
11	any material fashion; materially alter or modify the	11.7
12	appurtenances of the unit; or change the proportion or	
13	percentage by which the owner of the parcel shares the common	
14	expenses and owns the common surplus; unless the record owner	11.9
15	of the unit and all record owners of liens on it join in the	11.10
16	execution of the amendment and unless all other units approve	11.11
17	the amendment;	
18	Section 9. Section 719.107, Florida Statutes, is	11.12
19	amended to read:	
20	719.107 Common expenses; assessment.--	11.14
21	(1) Common expenses shall include:	11.10s
22	{a} the expenses of the operation, maintenance,	11.16
23	repair, or replacement of the cooperative property, <u>and</u>	11.17
24	{b} costs of carrying out the powers and duties of the	11.19
25	association, <u>and</u>	
26	{c} any other expense designated as common expense by	11.20
27	this chapter or the cooperative documents.	11.21
28	(2) Funds for the payment of common expenses shall be	11.22
29	collected by assessments against unit owners in the	11.23
30	proportions or percentages of sharing common expenses provided	11.24
31	in the cooperative documents.	

1 Section 10. Subsections (1), (3), and (6) of section 11.25
2 719.108, Florida Statutes, are amended, and subsections (8) 11.26
3 and (9) are added to said section, to read:
4 719.108 Rents and assessments; liability; lien and 11.28
5 priority; interest; collection; cooperative ownership.--
6 (1) A unit owner, regardless of how title is acquired, 11.29
7 including, without limitation, a purchaser at a judicial sale, 11.30
8 shall be liable for all rents and assessments coming due while 11.32
9 he is in exclusive possession ~~the-owner~~ of a unit. In a 11.33
10 voluntary transfer conveyance, the unit owner in exclusive
11 possession ~~grantee~~ shall be jointly and severally liable with 11.35
12 the previous unit owner ~~grantor~~ for all unpaid rents and 11.36
13 assessments against the previous unit owner ~~grantor~~ for his 11.37
14 share of the common expenses up to the time of the transfer 11.38
15 ~~voluntary-conveyance~~, without prejudice to the rights of the
16 unit owner in exclusive possession ~~grantee~~ to recover from the 11.41
17 previous unit owner ~~grantor~~ the amounts paid by the unit owner 11.42
18 in exclusive possession ~~grantee~~ therefor. 11.43
19 (3) Unpaid Rents and assessments and installments on 11.43
20 them not paid when due thereon-shall ~~bear interest at the rate~~ 11.45
21 provided in the cooperative documents from the date due until
22 paid. ~~This~~ The rate may not ~~shall be as provided in the~~ 11.46
23 ~~cooperative documents; not to exceed the maximum lawful rate~~ 11.49
24 allowed by law, and, if no rate is provided in the cooperative 11.51
25 documents, then interest shall accrue at 18 percent per annum 11.52
26 ~~at the legal rate.~~ 11.53
27 (6) Within 15 days after request by a unit owner or 11.54
28 mortgagee, the association shall provide a certificate stating 11.55
29 all assessments and other moneys owed to the association by 11.56
30 the unit owner with respect to the cooperative parcel. Any 11.57
31 person other than the unit owner who relies upon such

1	<u>certificate shall be protected thereby. Any unit owner has</u>	11.60
2	the right to require from the association a certificate	
3	showing the amount of unpaid rents and assessments against him	11.61
4	with respect to his cooperative parcel. The association is	11.64
5	bound by the certificate to any person who relies upon the	11.65
6	certificate other than the owner.	11.66
7	<u>(8)(a) No unit owner may be excused from the payment</u>	1:1us
8	<u>of his share of the rents or assessments of a cooperative</u>	12.2
9	<u>unless all unit owners are likewise proportionately excused</u>	
10	<u>from payment, except as provided in subsection (6) and in the</u>	12.3
11	<u>following cases:</u>	12.4
12	<u>1. If the cooperative documents so provide, a</u>	1:1us
13	<u>developer or other person owning cooperative units offered for</u>	12.5
14	<u>sale may be excused from the payment of the share of the</u>	
15	<u>common expenses, assessments, and rents related to those units</u>	12.6
16	<u>for a stated period of time. The period must terminate no</u>	12.7
17	<u>later than the first day of the fourth calendar month</u>	
18	<u>following the month in which the right of exclusive possession</u>	12.8
19	<u>is first granted to a unit owner. However, the developer must</u>	12.9
20	<u>pay the portion of common expenses incurred during that period</u>	
21	<u>which exceed the amount assessed against other unit owners.</u>	12.10
22	<u>2. A developer, or other persons with an ownership</u>	12.11
23	<u>interest in cooperative units or having an obligation to pay</u>	
24	<u>common expenses, may be excused from the payment of his share</u>	12.12
25	<u>of the common expenses which would have been assessed against</u>	12.13
26	<u>those units during the period of time that he shall have</u>	
27	<u>guaranteed to each purchaser in the purchase contract or in</u>	12.14
28	<u>the cooperative documents, or by agreement between the</u>	
29	<u>developer and a majority of the unit owners other than the</u>	12.15
30	<u>developer, that the assessment for common expenses of the</u>	12.16
31	<u>cooperative imposed upon the unit owners would not increase</u>	

1	<u>over a stated dollar amount and shall have obligated himself</u>	12.17
2	<u>to pay any amount of common expenses incurred during that</u>	12.18
3	<u>period and not produced by the assessments at the guaranteed</u>	
4	<u>level receivable from other unit owners.</u>	12.19
5	<u>(b) If the purchase contract, cooperative documents,</u>	1:1us
6	<u>or agreement between the developer and a majority of unit</u>	12.20
7	<u>owners other than the developer provides for the developer or</u>	
8	<u>another person to be excused from the payment of assessments</u>	12.21
9	<u>pursuant to paragraph (a), no funds receivable from unit</u>	12.22
10	<u>owners payable to the association or collected by the</u>	
11	<u>developer on behalf of the association, other than regular</u>	12.23
12	<u>periodic assessments for common expenses as provided in the</u>	
13	<u>cooperative documents and disclosed in the estimated operating</u>	12.24
14	<u>budget pursuant to s. 719.503(2)(f) or s. 719.504(20)(b),</u>	12.26
15	<u>shall be used for payment of common expenses prior to the</u>	
16	<u>expiration of the period during which the developer or other</u>	12.29
17	<u>person is so excused. This restriction shall apply to funds</u>	12.30
18	<u>including, but not limited to, capital contributions or start-</u>	12.31
19	<u>up funds collected from unit purchasers at closing.</u>	
20	<u>(9) The specific purpose or purposes of any special</u>	12.32
21	<u>assessment approved in accordance with the cooperative</u>	
22	<u>documents shall be set forth in a written notice of such</u>	12.33
23	<u>assessment sent or delivered to each unit owner. The funds</u>	12.34
24	<u>collected pursuant to a special assessment shall be used only</u>	
25	<u>for the specific purpose or purposes set forth in such notice,</u>	12.35
26	<u>or returned to the unit owners. However, upon completion of</u>	12.36
27	<u>such specific purpose or purposes, any excess funds shall be</u>	
28	<u>considered common surplus.</u>	12.37
29	Section 11. Section 719.109, Florida Statutes, is	12.38
30	amended to read:	
31	719.109 Right of owners to peaceably assemble.--	12.40

1	(1) All common-elements , common areas, and	12.42
2	recreational facilities serving any cooperative shall be	12.43
3	available to unit owners in the cooperative or cooperatives	12.44
4	served thereby and their invited guests for the use intended	
5	for such common-elements , common areas, and recreational	1:10s
6	facilities. The entity or entities responsible for the	12.46
7	operation of the common-elements , common areas, and	12.48
8	recreational facilities may adopt reasonable rules and	12.49
9	regulations pertaining to the use of such common-elements ,	12.51
10	common areas, and recreational facilities. No entity or	12.52
11	entities shall unreasonably restrict any unit owner's right to	12.53
12	peaceably assemble or right to invite public officers or	12.54
13	candidates for public office to appear and speak in common	12.55
14	elements , common areas, and recreational facilities.	12.57
15	(2) Any owner prevented from exercising rights	12.58
16	guaranteed by subsection (1) may bring an action in the	12.59
17	appropriate court of the county in which the alleged	12.61
18	infringement occurred, and, upon favorable adjudication, the	12.62
19	court shall enjoin the enforcement of any provision contained	
20	in any cooperative document or rule which operates to deprive	12.63
21	the owner of such rights.	
22	Section 12. Section 719.110, Florida Statutes, is	12.64
23	amended to read:	
24	719.110 Limitation on actions by association.--The	12.66
25	statute of limitations for any actions in law or equity which	13.1
26	a condominium-association-or-a cooperative association may	13.2
27	have shall not begin to run until the unit owners have elected	13.3
28	a majority of the members of the board of administration.	
29	Section 13. Section 719.111, Florida Statutes, is	13.4
30	amended to read:	
31	719.111 Attorney's fees.--	13.5

1	{1} If a contract or lease between a cooperative unit	13.7
2	owner or association and a developer contains a provision	
3	allowing attorney's fees to the developer, should any	13.8
4	litigation arise under the provisions of the contract or	13.9
5	lease, the court shall also allow reasonable attorney's fees	13.10
6	to the unit owner or association when the unit owner or	13.11
7	association prevails in any action by or against the unit	
8	owner or association with respect to the contract or lease.	13.13
9	{2}--This section shall apply to all contracts in	13.10s
10	effect on June 19, 1978, and to all contracts entered into	13.15
11	after June 19, 1978.	13.16
12	Section 14. Section 719.112, Florida Statutes, is	13.17
13	amended to read:	
14	719.112 Unconscionability of certain leases;	13.18
15	rebuttable presumption.--	13.20
16	(1) The Legislature expressly finds that many leases	13.21
17	involving use of recreational or other common facilities by	13.22
18	residents of cooperatives were entered into by parties wholly	13.23
19	representative of the interests of a cooperative developer at	
20	a time when the cooperative unit owners not only did not	13.25
21	control the administration of their cooperative but also had	
22	little or no voice in such administration. Such leases often	13.27
23	contain numerous obligations on the part of either or both a	
24	cooperative association and cooperative unit owners with	13.29
25	relatively few obligations on the part of the lessor. Such	13.30
26	leases may or may not be unconscionable in any given case.	
27	Nevertheless, the Legislature finds that a combination of	13.31
28	certain onerous obligations and circumstances warrants the	13.32
29	establishment of a rebuttable presumption of unconscionability	13.33
30	of certain leases, as specified in subsection (2). The	13.34
31	presumption may be rebutted by a lessor upon the showing of	

1	additional facts and circumstances to justify and validate	13.35
2	what otherwise appears to be an unconscionable lease under	13.36
3	this section. Failure of a lease to contain all the	13.37
4	enumerated elements shall neither preclude a determination of	
5	unconscionability of the lease nor raise a presumption as to	13.39
6	its conscionability. It is the intent of the Legislature that	13.40
7	this section is remedial and does not create any new cause of	13.41
8	action to invalidate any cooperative lease, but shall operate	13.42
9	as a statutory prescription on procedural matters in actions	13.43
10	brought on one or more causes of action existing at the time	13.44
11	of the execution of such lease.	
12	(2) A lease pertaining to use by cooperative unit	13.46
13	owners of recreational or other common facilities,	
14	irrespective of the date on which such lease was entered into,	13.48
15	is presumptively unconscionable if all of the following	
16	elements exist:	
17	(a) The lease was executed by persons none of whom at	13.50
18	the time of the execution of the lease were elected by	
19	cooperative unit owners, other than the developer, to	13.51
20	represent their interests.	
21	(b) The lease requires either the cooperative	13.52
22	association or the cooperative unit owners to pay real estate	13.53
23	taxes on the <u>subject real property</u> real property which is the	13.54
24	subject of the lease.	
25	(c) The lease requires either the cooperative	13.56
26	association or the cooperative unit owners to insure buildings	13.57
27	or other facilities on the <u>subject</u> real property which is the	13.58
28	subject of the lease against fire or any other hazard.	13.59
29	(d) The lease requires either the cooperative	13.61
30	association or the cooperative unit owners to perform some or	
31	all maintenance obligations pertaining to the <u>subject</u> real	13.63

1	property which is the subject of the lease or facilities	13.64
2	located upon <u>the subject</u> such real property.	13.65
3	(e) The lease requires either the cooperative	14.1
4	association or the cooperative unit owners to pay rent to the	
5	lessor for a period of 21 years or more.	14.2
6	(f) The lease provides that failure of the lessee to	14.3
7	make payment of rent due under the lease either creates,	14.4
8	establishes, or permits establishment of a lien upon	
9	individual cooperative units of the cooperative <u>or upon stock</u>	14.5
10	<u>or other ownership interest</u> to secure claims for rent.	14.7
11	(g) The lease requires an annual rental which exceeds	14.8
12	25 percent of the appraised value of the leased property as	14.9
13	improved. For purposes of this paragraph, "annual rental"	14.10
14	means the amount due during the first 12 months of the lease	
15	for all units, regardless of whether such units were in fact	14.11
16	occupied or sold during that period, and "appraised value"	
17	means the appraised value placed upon the leased property the	14.12
18	first tax year after the sale of a unit in the cooperative.	
19	(h) The lease provides for a periodic rental increase	14.14
20	based upon reference to a price index.	
21	(i) The lease or other cooperative documents require	14.16
22	that every transferee of a cooperative unit must assume	
23	obligations under the lease.	14.17
24	Section 15. Section 719.1255, Florida Statutes, is	14.18
25	created to read:	
26	<u>719.1255 Voluntary arbitration of disputes.--The</u>	14.19
27	<u>Division of Florida Land Sales, Condominiums, and Mobile Homes</u>	14.21
28	<u>of the Department of Business Regulation shall employ full-</u>	
29	<u>time arbitrators to conduct the binding arbitration hearings</u>	14.22
30	<u>provided by this chapter. No person may be employed by the</u>	14.23
31	<u>department as a full-time arbitrator unless he is a member in</u>	

1	<u>good standing of The Florida Bar. The department shall</u>	14.25
2	<u>promulgate rules of procedure to govern such binding</u>	
3	<u>arbitration hearings. The decision of an arbitrator shall be</u>	14.26
4	<u>final; however, such a decision shall not be deemed final</u>	
5	<u>agency action. Nothing in this provision shall be construed</u>	14.28
6	<u>to foreclose parties from proceeding in a trial de novo; if</u>	14.29
7	<u>such judicial proceedings are initiated, the final decision of</u>	
8	<u>the arbitrator shall be admissible in evidence. Any party may</u>	14.31
9	<u>seek enforcement of the final decision of an arbitrator in a</u>	
10	<u>court of competent jurisdiction.</u>	14.32
11	Section 16. Section 719.202, Florida Statutes, is	14.33
12	amended to read:	
13	719.202 Sales or reservation deposits prior to	14.34
14	closing.--	14.35
15	(1) If a developer contracts to sell a cooperative	14.36
16	parcel and the construction, furnishing, and landscaping of	14.37
17	the property submitted <u>or proposed to be submitted</u> to	
18	cooperative ownership has not been substantially completed in	14.39
19	accordance with the plans and specifications and	14.40
20	representations made by the developer in the disclosures	
21	required by this chapter, the developer shall pay into an	14.41
22	escrow account established with a bank or trust company having	14.42
23	trust powers, an attorney who is a member of The Florida Bar,	14.43
24	a real estate broker registered under chapter 475, any	
25	financial lending institution having a net worth in excess of	14.44
26	\$5 million, or a title insurance company authorized to insure	14.47
27	title to real property in the State of Florida; all payments	
28	up to 10 percent of the sale price received by the developer	14.49
29	from the buyer towards the sale price. The escrow agent shall	14.51
30	give to the purchaser a receipt for the deposit, upon request.	
31	In lieu of the foregoing, the division director shall have the	14.52

1	discretion to accept other assurances, including, but not	14.53
2	limited to, a surety bond or an irrevocable letter of credit	
3	in an amount equal to the escrow requirements of this section.	14.54
4	Default determinations and refund of deposits shall be	14.55
5	governed by the escrow release provision of this subsection.	14.56
6	The escrowed funds may be deposited in separate accounts or in	14.59
7	common escrow or trust accounts or commingled with other	
8	escrow or trust accounts handled by or received by the escrow	14.61
9	agent. The escrow agent may invest the escrow funds in	14.63
10	securities of the United States or an agency thereof or in	
11	savings or time deposits in institutions insured by an agency	14.64
12	of the United States. Funds shall be released from the escrow	14.65
13	as follows:	
14	(a) If a buyer properly terminates the contract	14.66
15	pursuant to its terms or pursuant to this chapter, the funds	15.1
16	shall be paid to the buyer together with any interest earned.	15.2
17	(b) If the buyer defaults in the performance of his	15.3
18	obligations under the contract of purchase and sale, the funds	15.4
19	shall be paid to the developer together with any interest	15.5
20	earned.	
21	(c) If the contract does not provide for the payment	15.6
22	of any interest earned on the escrowed funds, interest shall	
23	be paid to the developer at the closing of the transaction.	15.7
24	(d) If the funds of a buyer have not been previously	15.8
25	disbursed in accordance with the provisions of this	15.9
26	subsection, they may be disbursed to the developer by the	
27	escrow agent at the closing of the transaction, unless prior	15.10
28	to the disbursement the escrow agent receives from the buyer	15.11
29	written notice of a dispute between the buyer and developer.	15.12
30	(2) All payments in excess of the 10 percent of the	15.13
31	sale price described in subsection (1) received prior to	15.15

1	completion of construction by the developer from the buyer on	15.16
2	a contract for purchase of a cooperative <u>parcel</u> shall be held	
3	in a special escrow account <u>established as provided in</u>	15.17
4	<u>subsection (1) and controlled by an escrow agent by the</u>	15.18
5	developer or his agent and may not be used by the developer	
6	prior to closing the transaction, except as provided in	15.20
7	subsection (3) or except for refund to the buyer. If the	15.22
8	money remains in this special account for more than 3 months	15.23
9	and earns interest, the interest shall be paid as provided in	15.24
10	subsection (1).	
11	(3) If the contract for sale of the cooperative <u>parcel</u>	15.26
12	so provides, the developer may withdraw escrow funds in excess	
13	of 10 percent of the purchase price from the special account	15.27
14	required by subsection (2) when the construction of	15.28
15	improvements has begun. He may use the funds in the actual	15.30
16	construction and development of the cooperative property in	
17	which the unit to be sold is located. However, no part of	15.33
18	these funds may be used for salaries, commissions, or expenses	15.34
19	of salesmen or for advertising purposes. A contract which	15.36
20	permits use of the advance payments for these purposes shall	
21	include the following legend conspicuously printed or stamped	15.37
22	in boldfaced type on the first page of the contract and	15.38
23	immediately above the place for signature of the buyer: ANY	15.39
24	PAYMENT IN EXCESS OF 10 PERCENT OF THE PURCHASE PRICE MADE TO	
25	DEVELOPER PRIOR TO CLOSING PURSUANT TO THIS CONTRACT MAY BE	15.40
26	USED FOR CONSTRUCTION PURPOSES BY THE DEVELOPER.	15.41
27	(4) "Completion of construction" means issuance of a	15.42
28	certificate of occupancy for the entire building or	
29	improvement, or the equivalent authorization issued by the	15.43
30	governmental body having jurisdiction, and, in jurisdictions	15.44
31	where no certificate of occupancy or equivalent authorization	

1	is issued, it means substantial completion of construction,	15.45
2	finishing, and equipping of the building or improvements	15.46
3	according to the plans and specifications.	
4	(5) Failure to comply with the provisions of this	15.47
5	section renders the contract voidable by the buyer, and, if	15.48
6	voided, all sums deposited or advanced under the contract	15.49
7	shall be refunded with interest at the highest rate then being	15.50
8	paid on savings accounts, excluding certificates of deposit,	15.51
9	by savings and loan associations in the area in which the	15.52
10	cooperative property is located.	
11	(6) If a developer enters into a reservation	15.53
12	agreement, the developer shall pay into an escrow account	15.55
13	established-with-a-trust-company,-a-bank-having-trust-powers,	
14	an-attorney-who-is-a-member-of-The-Florida-Bar,-a-real-estate	15.56
15	broker-registered-under-chapter-475,-or-a-title-insurance	15.57
16	company-authorized-to-insure-title-to-real-property-in-this	15.58
17	state all reservation deposit payments. Reservation deposits	15.59
18	shall be payable to the escrow agent, who shall give to the	15.60
19	prospective purchaser a receipt for the deposit, acknowledging	
20	that the deposit is being held pursuant to the requirements of	15.61
21	this subsection. Funds-shall-not-be-deposited-out-of-state	15.62
22	unless-the-out-of-state-party-holding-such-escrow-funds	15.65
23	submits-to-the-jurisdiction-of-the-division-and-the-courts-of	16.1
24	this-state-for-any-cause-of-action-arising-from-the-escrow-	16.2
25	The funds may be placed in either interest-bearing or non-	16.3
26	interest-bearing accounts, provided that the funds shall at	16.6
27	all reasonable times be available for withdrawal in full by	
28	the escrow agent. The developer shall maintain separate	16.7
29	records for each cooperative <u>parcel</u> or proposed cooperative	16.8
30	<u>parcel</u> for which deposits are being accepted. Upon written	16.11
31	request to the escrow agent by the prospective purchaser or	16.12

1	developer, the fund shall be immediately and without	16.13
2	qualification refunded in full to the prospective purchaser.	16.14
3	Upon such refund, any interest shall be paid to the	16.15
4	prospective purchaser, unless otherwise provided in the	16.16
5	reservation agreement. A reservation deposit shall not be	16.17
6	released directly to the developer except as a downpayment on	
7	the purchase price simultaneously with or subsequent to the	16.18
8	execution of a contract. Upon the execution of a purchase	16.20
9	agreement for a unit, any funds paid by the purchaser as a	16.21
10	deposit to reserve the unit pursuant to a reservation	16.23
11	agreement, and any interest thereon, shall cease to be subject	
12	to the provisions of this subsection and shall instead be	16.25
13	subject to the provisions of subsections (1)-(5).	
14	(7) Any developer who willfully fails to <u>comply with</u>	16.27
15	<u>the provisions of this section concerning establishment of an</u>	16.28
16	<u>escrow account, deposit of funds into escrow and withdrawal</u>	
17	<u>therefrom</u> pay-all-required-funds-into-the-escrow-accounts	16.30
18	required-by-this-section is guilty of a felony of the third	16.31
19	degree, punishable as provided in s. 775.082, s. 775.083, or	
20	s. 775.084. <u>The failure to establish an escrow account or to</u>	16.32
21	<u>place funds therein shall be prima facie evidence of an</u>	16.33
22	<u>intentional and purposeful violation of this section.</u>	
23	(8) <u>All escrow accounts required by this section shall</u>	16.34
24	<u>be established with a bank, a savings and loan association, an</u>	16.36
25	<u>attorney who is a member of The Florida Bar, a real estate</u>	16.37
26	<u>broker registered under chapter 475, or any financial lending</u>	
27	<u>institution having a net worth in excess of \$5 million. The</u>	16.39
28	<u>escrow agent shall not be located outside the state unless,</u>	
29	<u>pursuant to the escrow agreement, the escrow agent submits to</u>	16.40
30	<u>the jurisdiction of the division and the courts of this state</u>	
31	<u>for any cause of action arising from the escrow. All escrow</u>	16.42

1	<u>agents shall be independent of the developer, and no developer</u>	
2	<u>nor any officer, director, affiliate, subsidiary or employee</u>	16.43
3	<u>thereof may serve as escrow agent. Escrow funds may be</u>	16.44
4	<u>invested only in securities of the United States or any agency</u>	
5	<u>thereof, or in accounts in institutions, the deposits of which</u>	16.45
6	<u>are insured by an agency of the United States.</u>	
7	(9) <u>Any developer who is subject to the provisions of</u>	16.46
8	<u>this section shall not be subject to the provisions of s.</u>	16.47
9	<u>501.1375.</u>	
10	Section 17. Subsection (1) of section 719.203, Florida	16.48
11	Statutes, is amended to read:	
12	719.203 Warranties.--	16.49
13	(1) The developer shall be deemed to have granted to	16.50
14	the purchaser of each <u>parcel</u> unit an implied warranty of	16.52
15	fitness and merchantability for the purposes or uses intended	
16	as follows:	16.53
17	(a) As to each unit, a warranty for 3 years commencing	16.53
18	with the completion of the building containing the unit.	16.54
19	(b) As to the personal property that is transferred	16.55
20	with, or appurtenant to, each unit, a warranty which is for	16.56
21	the same period as that provided by the manufacturer of the	16.57
22	personal property, commencing with the date of closing of the	
23	purchase or the date of possession of the unit, whichever is	16.58
24	earlier.	
25	(c) As to all other improvements for the use of unit	16.59
26	owners, a 3-year warranty commencing with the date of	16.60
27	completion of the improvements.	
28	(d) As to all other personal property for the use of	16.61
29	unit owners, a warranty which shall be the same as that	16.62
30	provided by the manufacturer of the personal property.	
31		

1	(e) As to the roof and structural components of a	16.63
2	building or other improvements and as to mechanical,	16.64
3	electrical, and plumbing elements serving improvements or a	16.65
4	building, except mechanical elements serving only one unit, a	
5	warranty for a period beginning with the completion of	16.66
6	construction of each building or improvement and continuing	17.1
7	for 3 years thereafter or 1 year after owners other than the	17.2
8	developer obtain control of the association, whichever occurs	17.3
9	<u>last, but in no event continuing for more than 5 years first.</u>	17.4
10	(f) As to all other property which is conveyed with a	17.5
11	unit, a warranty to the initial purchaser of each unit for a	17.6
12	period of 1 year from the date of closing of the purchase or	
13	the date of possession, whichever occurs first.	17.7
14	Section 18. Subsections (1) and (4) of section	17.8
15	719.301, Florida Statutes, are amended, and subsection (5) is	17.9
16	added to said section, to read:	
17	719.301 Transfer of association control.--	17.10
18	(1) When unit owners other than the developer own 15	17.11
19	percent or more of the units in a cooperative that will be	17.12
20	operated ultimately by an association, the unit owners other	
21	than the developer shall be entitled to elect not less than	17.13
22	one-third of the members of the board of administration of the	17.14
23	association. Unit owners other than the developer are	17.16
24	entitled to elect not less than a majority of the members of	
25	the board of administration of an association:	17.17
26	(a) Three years after 50 percent of the units that	17.18
27	will be operated ultimately by the association have been	17.19
28	conveyed to purchasers;	
29	(b) Three months after 90 percent of the units that	17.20
30	will be operated ultimately by the association have been	
31	conveyed to purchasers;	17.21

1 (c) When all the units that will be operated 17.21
2 ultimately by the association have been completed, some have 17.22
3 been conveyed to purchasers, and none of the others are being 17.23
4 offered for sale by the developer in the ordinary course of
5 business; or 17.24
6 (d) When some of the units have been conveyed to 17.25
7 purchasers and none of the others are being constructed or 17.26
8 offered for sale by the developer in the ordinary course of
9 business,
10
11 whichever occurs first. The developer is entitled to elect at 17.28
12 least one member of the board of administration of an 17.29
13 association as long as the developer holds for sale in the 17.30
14 ordinary course of business at least 5 percent in cooperatives
15 with fewer than 500 units and 2 percent in cooperatives with 17.32
16 more than 500 units in a cooperative operated by the
17 association ~~any-unit-in-a-cooperative-operated-by-the~~ 17.35
18 ~~association.~~
19 (4) Prior to, or not more than 60 days after, the time 17.37
20 that unit owners other than the developer elect a majority of 17.38
21 the members of the board of administration of an association, 17.39
22 the developer shall relinquish control of the association, and
23 the unit owners shall accept control. Simultaneously, the 17.41
24 developer shall deliver to the association, at the developer's
25 expense, all property of the unit owners and of the 17.42
26 association held or controlled by the developer, including, 17.43
27 but not limited to, the following items, if applicable, as to 17.44
28 each cooperative operated by the association:
29 (a)1. The original or a photocopy of the recorded 17.45
30 cooperative documents and all amendments thereto. If a 17.47
31 photocopy is provided, it shall be certified by affidavit of 17.48

1	the developer, or an officer or agent of the developer, as	17.49
2	being a complete copy of the actual recorded cooperative	
3	documents.	
4	2. A certified copy of the association's articles of	17.50
5	incorporation, or if it is not incorporated, then copies of	17.51
6	the documents creating the association.	
7	3. A copy of the bylaws.	17.52
8	4. The minute books, including all minutes, and other	17.52
9	books and records of the association, if any.	17.53
10	5. Any house rules and regulations which have been	17.54
11	promulgated.	
12	(b) Resignations of officers and members of the board	17.55
13	of administration who are required to resign because the	
14	developer is required to relinquish control of the	17.56
15	association.	
16	(c) The financial records, including financial	17.57
17	statements of the association, and source documents since the	17.58
18	incorporation of the association through the date of turnover.	
19	The records shall be reviewed by an independent certified	17.59
20	public accountant. The minimum report required shall be a	17.60
21	review in accordance with generally accepted accounting	
22	standards as defined by rule of the Board of Accountancy. The	17.62
23	accountant performing the review shall examine to the extent	
24	necessary supporting documents and records, including the cash	17.63
25	disbursements and related paid invoices to determine if	
26	expenditures were for association purposes and the billings,	17.64
27	cash receipts, and related records to determine that the	17.66
28	developer was charged and paid the proper amounts of	
29	assessments.	
30	(d) Association funds or control thereof.	18.1
31		

1	(e) All tangible personal property that is property of	18.2
2	the association, represented by the developer to be part of	
3	the common areas or ostensibly part of the common areas, and	18.3
4	an inventory of that property.	18.4
5	(f) A copy of the plans and specifications utilized in	18.5
6	the construction or remodeling of improvements and the	
7	supplying of equipment to the cooperative and in the	18.6
8	construction and installation of all mechanical components	18.7
9	serving the improvements and the site, with a certificate in	
10	affidavit form of the developer, his agent, or an architect or	18.8
11	engineer authorized to practice in this state that such plans	18.9
12	and specifications represent, to the best of their knowledge	18.10
13	and belief, the actual plans and specifications utilized in	18.11
14	the construction and improvement of the cooperative property	
15	and for the construction and installation of the mechanical	18.12
16	components serving the improvements. If the cooperative	18.14
17	property has been organized as a cooperative more than 3 years	18.16
18	after the completion of construction or remodeling of the	
19	improvements, the requirements of this paragraph shall not	18.17
20	apply.	
21	(g) Insurance policies.	18.17
22	(h) Copies of any certificates of occupancy which may	18.18
23	have been issued for the cooperative property.	18.19
24	(i) Any other permits issued by governmental bodies	18.19
25	applicable to the cooperative property in force or issued	18.20
26	within 1 year prior to the date the unit owners other than the	18.21
27	developer take control of the association.	
28	(j) All written warranties of the contractor,	18.22
29	subcontractors, suppliers, and manufacturers, if any, that are	18.23
30	still effective.	
31		

1	(k) A roster of unit owners and their addresses and	18.24
2	telephone numbers, if known, as shown on the developer's	
3	records.	
4	(l) Leases of the common areas and other leases to	18.25
5	which the association is a party.	
6	(m) Employment contracts or service contracts in which	18.26
7	the association is one of the contracting parties or service	18.27
8	contracts in which the association or the unit owners have an	18.28
9	obligation or responsibility, directly or indirectly, to pay	
10	some or all of the fee or charge of the person or persons	18.30
11	performing the service.	
12	(n) All other contracts to which the association is a	18.31
13	party.	
14	<u>(5) If, during the period prior to the time the</u>	18.31
15	<u>developer relinquishes control of the association pursuant to</u>	18.33
16	<u>subsection (4), any provision of the Cooperative Act or any</u>	
17	<u>rule promulgated thereunder is violated by the association,</u>	18.34
18	<u>the developer shall be responsible for such violations and</u>	18.35
19	<u>shall be subject to the administrative action provided in this</u>	
20	<u>chapter for such violation or violations and the developer</u>	18.36
21	<u>shall be liable for such violation or violations to third</u>	
22	<u>parties. This subsection is intended to clarify existing law.</u>	18.38
23	Section 19. Section 719.302, Florida Statutes, is	18.39
24	amended to read:	
25	719.302 Agreements entered into by the association.--	18.40
26	(1) Any grant or reservation made by a cooperative	18.41
27	document, lease, or other document, and any contract made by	18.43
28	an association prior to assumption of control of the	
29	association by unit owners other than the developer, that	18.44
30	provides for operation, maintenance, or management of a	18.45
31	cooperative association or property serving the unit owners of	18.46

1	a cooperative shall be fair and reasonable, and may be	
2	canceled by unit owners other than the developer:	18.47
3	(a) If the association operates only one cooperative	18.48
4	and the unit owners other than the developer have assumed	18.49
5	control of the association, or if unit owners other than the	18.50
6	developer own not less than 75 percent of the <u>voting interests</u>	18.51
7	units in the cooperative, the cancellation shall be by	18.52
8	concurrence of the owners of not less than 75 percent of the	18.53
9	<u>voting interests</u> units other than the <u>voting interests</u> units	18.54
10	owned by the developer. If a grant, reservation, or contract	18.55
11	is so canceled and the unit owners other than the developer	18.56
12	have not assumed control of the association, the association	
13	shall make a new contract or otherwise provide for	18.57
14	maintenance, management, or operation in lieu of the canceled	18.58
15	obligation, at the direction of the owners of not less than a	18.59
16	majority of the <u>voting interests</u> units in the cooperative	18.60
17	other than the <u>voting interests</u> units owned by the developer.	18.61
18	(b) If the association operates more than one	18.61
19	cooperative and the unit owners other than the developer have	18.62
20	not assumed control of the association, and if unit owners	18.63
21	other than the developer own at least 75 percent of the <u>voting</u>	18.64
22	<u>interests</u> units in a cooperative operated by the association,	18.65
23	any grant, reservation, or contract for maintenance,	18.66
24	management, or operation of buildings containing the units in	19.1
25	that cooperative or of improvements used only by unit owners	19.2
26	of that cooperative may be canceled by concurrence of the	
27	owners of at least 75 percent of the <u>voting interests</u> units in	19.3
28	the cooperative other than the <u>voting interests</u> units owned by	19.5
29	the developer. No grant, reservation, or contract for	19.6
30	maintenance, management, or operation of recreational areas or	19.7
31	any other property serving more than one cooperative, and	19.8

1	operated by more than one association, may be canceled except	
2	pursuant to paragraph (d). if a grant, reservation, or	19.11
3	contract is canceled under this provision, the association	
4	shall provide for maintenance, management, or operation of the	19.12
5	property in a manner consented to by the owners of not less	19.14
6	than a majority of the units in the cooperative other than the	19.15
7	units owned by the developer.	19.16
8	(c) If the association operates more than one	19.17
9	cooperative and the unit owners other than the developer have	19.18
10	assumed control of the association, the cancellation shall be	19.19
11	by concurrence of the owners of not less than 75 percent of	
12	the total number of <u>voting interests</u> units in all cooperatives	19.20
13	operated by the association other than the <u>voting interests</u>	19.21
14	units owned by the developer.	19.22
15	(d) If the owners of units in a cooperative have the	19.24
16	right to use property in common with owners of units in other	
17	cooperatives and those cooperatives are operated by more than	19.25
18	one association, no grant, reservation, or contract for	19.26
19	maintenance, management, or operation of the property serving	19.27
20	more than one cooperative may be canceled until unit owners	
21	other than the developer have assumed control of all of the	19.28
22	associations operating the cooperatives that are to be served	19.29
23	by the recreational area or other property, after which	19.30
24	cancellation may be effected by concurrence of the owners of	
25	not less than 75 percent of the total number of <u>voting</u>	19.31
26	<u>interests</u> units in those cooperatives other than <u>voting</u>	19.33
27	<u>interests</u> units owned by the developer.	
28	(2) <u>Any grant or reservation made by a cooperative</u>	19.34
29	<u>document, lease, or other document, or any contract made by</u>	19.35
30	<u>the developer or association prior to the time unit owners</u>	
31	<u>other than the developer elect a majority of the board of</u>	19.36

1	<u>administration, which requires the association to purchase</u>	19.37
2	<u>cooperative property or to lease cooperative property to</u>	
3	<u>another party, shall be deemed ratified unless rejected by a</u>	19.38
4	<u>majority of the voting interests of unit owners other than the</u>	
5	<u>developer within 18 months after unit owners other than the</u>	19.39
6	<u>developer elect a majority of the board of administration.</u>	19.40
7	<u>This subsection shall not apply to any grant or reservation</u>	19.41
8	<u>made by a declaration whereby persons other than the</u>	19.42
9	<u>developer, his heirs, assigns, affiliates, directors,</u>	
10	<u>officers, or employees are granted the right to use the</u>	19.43
11	<u>cooperative property, so long as such persons are obligated to</u>	
12	<u>pay, at a minimum, a proportionate share of the cost</u>	19.44
13	<u>associated with such property.</u>	
14	<u>(3)(2) Any grant or reservation made by a cooperative</u>	19.46
15	<u>document declaration, lease, or other document, and any</u>	19.48
16	contract made by an association, whether before or after	19.50
17	assumption of control of the association by unit owners other	
18	than the developer, that provides for operation, maintenance,	19.51
19	or management of a cooperative association or property serving	19.52
20	the unit owners of a cooperative shall not be in conflict with	19.54
21	the powers and duties of the association or the rights of unit	
22	owners as provided in this chapter. This subsection is	19.56
23	intended only as a clarification of existing law.	
24	<u>(4)(3) Any grant or reservation made by a cooperative</u>	19.58
25	<u>document, lease, or other document, and any contract made by</u>	
26	<u>an association prior to assumption of control of the</u>	19.59
27	<u>association by unit owners other than the developer, shall be</u>	19.60
28	<u>fair and reasonable.</u>	
29	<u>(5)(4) It is declared that the public policy of this</u>	19.61
30	<u>state prohibits the inclusion or enforcement of escalation</u>	19.63
31	<u>clauses in management contracts for cooperatives, and such</u>	19.64

1	clauses are hereby declared void for public policy. For the	19.66
2	purposes of this section, an escalation clause is any clause	20.1
3	in a cooperative management contract which provides that the	20.2
4	fee under the contract shall increase at the same percentage	
5	rate as any nationally recognized and conveniently available	20.3
6	commodity or consumer price index.	20.4
7	<u>(6)</u> (5) Any action to compel compliance with the	19.66
8	provisions of this section or of s. 719.301 may be brought	20.6
9	pursuant to the summary procedure provided for in s. 51.011.	20.7
10	In any such action brought to compel compliance with the	20.9
11	provisions of s. 719.301, the prevailing party shall be	
12	entitled to recover reasonable attorney's fees.	20.10
13	Section 20. Subsection (1) of section 719.303, Florida	20.11
14	Statutes, is amended, and subsection (3) is added to said	20.12
15	section, to read:	
16	719.303 Obligations of owners.--	20.13
17	(1) Each unit owner and each association shall be	20.14
18	governed by, and shall comply with the provisions of, this	20.15
19	chapter, the cooperative documents, the documents creating the	20.16
20	association, and the association bylaws. Actions for damages	20.18
21	or for injunctive relief, or both, for failure to comply with	20.20
22	these provisions may be brought by the association or by a	20.21
23	unit owner against:	
24	(a) The association.	20.21
25	(b) A unit owner.	20.21
26	(c) Directors designated by the developer, for actions	20.22
27	taken by them prior to the time control of the association is	20.23
28	assumed by unit owners other than the developer.	
29	(d) Any director who willfully and knowingly fails to	20.24
30		
31		

1	comply with these provisions.	20.26
2		
3	The prevailing party <u>in any such action in which the purchaser</u>	20.27
4	<u>claims a right of voidability based upon contractual</u>	20.28
5	<u>provisions as required in s. 719.503(1)(a)</u> is entitled to	
6	recover reasonable attorney's fees. This relief does not	20.31
7	exclude other remedies provided by law.	20.32
8	<u>(3) If the cooperative documents so provide, the</u>	1:lus
9	<u>association may levy reasonable fines against a unit owner for</u>	20.34
10	<u>failure of the owner of the unit or its occupant, licensee or</u>	20.36
11	<u>invitee to comply with any provision of the cooperative</u>	
12	<u>documents or reasonable rules of the association. No fine</u>	1:lus
13	<u>shall exceed \$50 nor shall any fine be levied except after</u>	
14	<u>giving reasonable notice and opportunity for a hearing to the</u>	20.39
15	<u>unit owner and, if applicable, its licensee or invitee. The</u>	20.40
16	<u>provisions of this subsection shall not apply to unoccupied</u>	
17	<u>units.</u>	
18	Section 21. Section 719.304, Florida Statutes, is	20.41
19	amended to read:	
20	719.304 Association's right to amend cooperative	20.42
21	documents.--	20.43
22	(1) If there is an omission or error in any	20.44
23	cooperative document, or in other documents required by law to	20.45
24	establish the cooperative, the association may correct the	20.46
25	error or omission by an amendment to the cooperative document,	
26	or the other documents required to create a cooperative, in	20.48
27	the manner provided in the <u>document declaration</u> to amend the	20.49
28	<u>document declaration</u> , or, if none is provided, then by vote of	20.52
29	a majority of the <u>voting interest unit-owners</u> . The amendment	20.53
30	is effective when passed and approved. This procedure for	20.55
31	amendment cannot be used if such an amendment would materially	20.57

1	or adversely affect property rights of unit owners, unless the	20.59
2	affected owners consent in writing. This subsection does not	20.60
3	restrict the powers of the association to otherwise amend the	20.61
4	cooperative documents, or other documentation, but authorizes	
5	a simple process of amendment requiring a lesser vote for the	20.62
6	purpose of curing defects, errors, or omissions when the	20.63
7	property rights of unit owners are not materially or adversely	20.64
8	affected.	
9	(2) If there is an omission or error in a cooperative	21.1
10	document, or other documents required to establish the	21.2
11	cooperative, which would affect the valid existence of the	
12	cooperative and which may not be corrected by the amendment	21.3
13	procedures in the cooperative documents or this chapter, then	21.4
14	the circuit courts have jurisdiction to entertain petitions of	21.5
15	one or more of the unit owners therein, or of the association,	21.6
16	to correct the error or omission, and the action may be a	21.7
17	class action. The court may require that one or more methods	21.8
18	of correcting the error or omission be submitted to the unit	21.9
19	owners to determine the most acceptable correction. All unit	21.11
20	owners and the association <u>and mortgagees of a first mortgage</u>	
21	<u>of record</u> must be joined as parties to the action. Service of	21.15
22	process on owners may be by publication, but the plaintiff	21.16
23	shall furnish all unit owners not personally served with	
24	process with copies of the petition and final decree of the	21.17
25	court by certified mail, return receipt requested, at their	21.18
26	last known residence address. If an action to determine	21.20
27	whether the cooperative documents or other documents comply	
28	with the mandatory requirements for the formation of a	21.21
29	cooperative contained in this chapter is not brought within 3	21.22
30	years of the filing of the cooperative documents, the	21.23
31	cooperative documents and other documents shall be effective	21.24

1	under this chapter to create a cooperative, whether or not the	21.26
2	documents substantially comply with the mandatory requirements	21.27
3	of this chapter. However, both before and after the	21.28
4	expiration of this 3-year period, circuit courts have	21.29
5	jurisdiction to entertain petitions permitted under this	21.30
6	subsection for the correction of the documentation, and other	21.31
7	methods of amendment may be utilized to correct the errors or	21.32
8	omissions at any time.	
9	Section 22. Section 719.401, Florida Statutes, is	21.33
10	amended to read:	
11	719.401 Leaseholds.--A cooperative may be created on	21.35
12	lands held by a developer under lease or may include	1:10s
13	recreational facilities or other common elements or commonly	21.37
14	used facilities on a leasehold, if, on the date the first unit	21.38
15	is conveyed by the developer to a bona fide purchaser, the	21.39
16	lease has an unexpired term of at least 50 years. If rent	21.41
17	under the lease is payable by the association or by the unit	21.42
18	owners, the lease shall include the following requirements:	21.43
19	(1) The leased land must be identified by a	21.44
20	description that is sufficient to pass title, and the leased	21.45
21	personal property must be identified by a general description	21.46
22	of the items of personal property and the approximate number	21.47
23	of each item of personal property that the developer is	
24	committing to furnish for each room or other facility. In the	21.49
25	alternative, the personal property may be identified by a	21.50
26	representation as to the minimum amount of expenditure that	21.51
27	will be made to purchase the personal property for the	
28	facility. Unless the lease is of a unit, the identification	21.53
29	of the land shall be supplemented by a survey showing the	21.54
30	relation of the leased land to the land included in the common	21.55
31	areas. This provision shall not prohibit adding additional	21.57

1	land or personal property in accordance with the terms of the	
2	lease, provided there is no increase in rent or material	21.58
3	increase in maintenance costs to the individual unit owner.	21.59
4	(2) The lease shall not contain a reservation of the	21.60
5	right of possession or control of the leased property by the	21.61
6	lessor or any person other than unit owners or the	21.62
7	association, and shall not create rights to possession or use	
8	of the leased property in any parties other than the	21.63
9	association or unit owners of the cooperative to be served by	21.64
10	the leased property, unless the reservations and rights	21.65
11	created are conspicuously disclosed. Any provision for use of	21.66
12	the leased property by anyone other than unit owners of the	22.1
13	cooperatives to be served by the leased property shall require	22.4
14	the other users to pay a fair and reasonable share of the	
15	maintenance and repair obligations and other exactions due	22.5
16	from users of the leased property.	22.6
17	(3) The lease shall state the minimum number of unit	22.7
18	owners that will be required, directly or indirectly, to pay	22.8
19	the rent under the lease and the maximum number of units that	
20	will be served by the leased property. The limitation of the	22.10
21	number of units to be served shall not preclude enlargement of	22.11
22	the facilities leased and an increase in their capacity, if	22.12
23	approved by the association operating the leased property	
24	after unit owners other than the developer have assumed	22.13
25	control of the association. <u>The provisions of this subsection</u>	1:1us
26	<u>shall not apply if the lessor is the government of the United</u>	22.15
27	<u>States or the State of Florida or any political subdivision</u>	
28	<u>thereof or any agency or any political subdivision thereof.</u>	22.16
29	(4)(a) In any action by the lessor to enforce a lien	22.17
30	for rent payable or in any action by the association or a unit	22.18
31	owner with respect to the obligations of the lessee or the	22.19

1	lessor under the lease, the unit owner or the association may	22.20
2	raise any issue or interpose any defenses, legal or equitable,	22.21
3	that he or it may have with respect to the lessor's	22.22
4	obligations under the lease. If the unit owner or the	22.23
5	association initiates any action or interposes any defense	22.24
6	other than payment of rent under the lease, the unit owner or	22.25
7	the association shall, upon service of process upon the	
8	lessor, pay into the registry of the court any allegedly	22.28
9	accrued rent and the rent which accrues during the pendency of	22.29
10	the proceeding, when due. If the unit owner or the	22.31
11	association fails to pay the rent into the registry of the	
12	court, it shall constitute an absolute waiver of the unit	22.32
13	owner's or association's defenses other than payment, and the	22.33
14	lessor shall be entitled to default. The unit owner or the	22.34
15	association shall notify the lessor of any deposits. When the	22.35
16	unit owner or the association has deposited the required funds	22.36
17	into the registry of the court, the lessor may apply to the	22.37
18	court for disbursement of all or part of the funds shown to be	
19	necessary for the payment of taxes, mortgage payments,	22.38
20	maintenance and operating expenses, and other necessary	22.39
21	expenses incident to maintaining and equipping the leased	22.40
22	facilities or necessary for the payment of other expenses	
23	arising out of personal hardship resulting from the loss of	22.41
24	rental income from the leased facilities. The court, after an	22.42
25	evidentiary hearing, may award all or part of the funds on	22.43
26	deposit to the lessor for such purpose. The court shall	22.44
27	require the lessor to post bond or other security, as a	
28	condition to the release of funds from the registry, when the	22.46
29	value of the leased land and improvements, apart from the	
30	lease itself, is inadequate to fully secure the sum of	22.48
31		

1	existing encumbrances on the leased property and the amounts	
2	released from the court registry.	22.49
3	(b) When the association or unit owners have deposited	22.51
4	funds into the registry of the court pursuant to this	
5	subsection, and the unit owners and association have otherwise	22.53
6	complied with their obligations under the lease or agreement,	22.54
7	other than paying rent into the registry of the court rather	22.55
8	than to the lessor, the lessor cannot hold the association or	22.56
9	unit owners in default on their rental payments nor may the	22.57
10	lessor file liens or initiate foreclosure proceedings against	
11	unit owners. If the lessor, in violation of this subsection,	22.59
12	attempts such liens or foreclosures, then the lessor may be	22.60
13	liable for damages plus attorney's fees and costs which the	22.61
14	association or unit owners incurred in satisfying those liens	22.62
15	or foreclosures.	
16	(c) Nothing in this subsection enacted-to-be-effective	22.64
17	October 1, 1979 , shall affect litigation commenced prior to	22.65
18	<u>October 1, 1979</u> such date.	
19	(5) If the lease is of recreational facilities or	23.1
20	other commonly used facilities that are not completed, rent	23.2
21	shall not commence until some of the facilities are completed.	23.3
22	Until all of the facilities leased are completed, rent shall	23.4
23	be prorated and paid only for the completed facilities in the	23.5
24	proportion that the value of the completed facilities bears to	23.6
25	the estimated value, when completed, of all of the facilities	23.7
26	that are leased. The facilities shall be complete when they	23.10
27	have been constructed, finished, and equipped and are	
28	available for use.	
29	(6)(a) A lease of recreational or other commonly used	23.11
30	facilities entered into by the association or unit owners	23.12
31	prior to the time the control of the association is turned	23.14

1	over to unit owners other than the developer shall grant to	
2	the lessee an option to purchase the leased property, payable	23.15
3	in cash on any anniversary date of the beginning of the lease	23.16
4	term after the 10th anniversary, at a price then determined by	23.17
5	agreement. If there is no agreement as to the price, then the	23.19
6	price shall be determined by arbitration.	
7	(b) If the lessor wishes to sell his interest and has	23.21
8	received a bona fide offer to purchase it, the lessor shall	
9	send the association and each unit owner a copy of the	23.22
10	executed offer. For 90 days following receipt of the offer by	23.24
11	the association or unit owners, the association or unit owners	23.25
12	have the option to purchase the interest on the terms and	23.26
13	conditions in the offer. The option shall be exercised, if at	23.28
14	all, by notice in writing given to the lessor within the 90-	23.29
15	day period. If the association or unit owners do not exercise	23.30
16	the option, the lessor shall have the right, for a period of	23.31
17	60 days after the 90-day period has expired, to complete the	23.32
18	transaction described in the offer to purchase. If for any	23.34
19	reason such transaction is not concluded within the 60 days,	23.35
20	the offer shall have been abandoned, and the provisions of	23.36
21	this subsection shall be reimposed.	
22	(c) The option shall be exercised upon approval by	23.37
23	owners of two-thirds of the units served by the leased	23.38
24	property.	
25	(d) The provisions of this subsection shall not apply	23.40
26	to a nonresidential cooperative and shall not apply if the	23.41
27	lessor is the Government of the United States or the State of	23.42
28	Florida or any political subdivision thereof or, in the case	
29	of an underlying land lease, a person or entity which is not	23.43
30	the developer or directly or indirectly owned or controlled by	23.44
31		

1	the developer and did not obtain, directly or indirectly,	23.45
2	ownership of the leased property from the developer.	
3	(7) The lease or a subordination agreement executed by	23.47
4	the lessor must provide either:	
5	(a) That any lien which encumbers a unit for rent or	23.48
6	other moneys or exactions payable is subordinate to any	23.49
7	mortgage held by an institutional lender, or	
8	(b) That, upon the foreclosure of any mortgage held by	23.50
9	an institutional lender or upon delivery of a deed in lieu of	23.52
10	foreclosure, the lien for the unit owner's share of the rent	23.53
11	or other exactions shall not be extinguished, but shall be	23.54
12	foreclosed and unenforceable against the mortgagee with	23.55
13	respect to that unit's share of the rent and other exactions	
14	which mature or become due and payable on or before the date	23.56
15	of the final judgment of foreclosure, in the event of	23.57
16	foreclosure, or on or before the date of delivery of the deed	23.58
17	in lieu of foreclosure. The lien may, however, automatically	23.59
18	and by operation of the lease or other instrument, reattach to	23.60
19	the unit and secure the payment of the unit's proportionate	23.61
20	share of the rent or other exactions coming due subsequent to	23.62
21	the date of final decree of foreclosure or the date of	23.63
22	delivery of the deed in lieu of foreclosure. <u>The provisions</u>	1:lus
23	<u>of this subsection shall not apply if the lessor is the</u>	
24	<u>government of the United States or the State of Florida or any</u>	23.65
25	<u>political subdivision thereof or any agency or political</u>	23.66
26	<u>subdivision thereof.</u>	
27	(8)(a) It is declared that the public policy of this	24.1
28	state prohibits the inclusion or enforcement of escalation	24.3
29	clauses in land leases or other leases or agreements for	24.4
30	recreational facilities, land, or other commonly used	24.5
31	facilities serving residential cooperatives, and such clauses	24.6

1	are hereby declared void for public policy. For the purposes	24.7
2	of this section, an escalation clause is any clause in a	24.8
3	cooperative lease or agreement which provides that the rental	24.9
4	under the lease or agreement shall increase at the same	
5	percentage rate as any nationally recognized and conveniently	24.10
6	available commodity or consumer price index.	24.11
7	<u>(b) The provisions of this subsection shall not apply</u>	1:1us
8	<u>if the lessor is the government of the United States or the</u>	24.13
9	<u>State of Florida or any political subdivision thereof or any</u>	
10	<u>agency or political subdivision thereof.</u>	24.14
11	<u>(9) If rent under the lease is a fixed amount for the</u>	1:1us
12	<u>full duration of the lease and the rent thereunder is payable</u>	24.16
13	<u>by the association or the unit owners, the division director</u>	
14	<u>shall have the discretion to accept alternative assurances</u>	24.17
15	<u>sufficient to secure the payment of rent, including, but not</u>	24.18
16	<u>limited to, annuities with an insurance company authorized to</u>	
17	<u>do business in this state, the beneficiary of which shall be</u>	24.19
18	<u>the association, or, cash deposits in trust, the beneficiary</u>	24.20
19	<u>of which shall be the association, which deposit shall be at</u>	
20	<u>an amount sufficient to generate interest sufficient to meet</u>	24.21
21	<u>lease payments as they occur. If alternative assurances are</u>	24.22
22	<u>accepted by the division director, the following shall be</u>	
23	<u>applicable:</u>	
24	<u>(a) Disclosures contemplated by subsection (2), if not</u>	1:1us
25	<u>contained within the lease, may be made by the developer.</u>	24.24
26	<u>(b) Disclosures as to the minimum number of unit</u>	1:1us
27	<u>owners that will be required, directly or indirectly, to pay</u>	24.25
28	<u>the rent under the lease, and the maximum number of units that</u>	24.26
29	<u>will be served by the leased property, if not contained in the</u>	
30	<u>lease, may be stated by the developer.</u>	24.27
31		

1	<u>(c) The provisions of subsections (4) and (5) shall</u>	1:1us
2	<u>apply, but shall not be required to be stated in the lease.</u>	24.28
3	<u>(d) The provisions of subsection (7) shall not apply.</u>	24.29
4	Section 23. Section 719.403, Florida Statutes, is	24.29
5	amended to read:	24.30
6	719.403 Phase cooperatives.--	24.31
7	(1) A developer may develop a cooperative in phases,	24.32
8	if the original cooperative documents <u>or an amendment to the</u>	1:1us
9	<u>cooperative documents approved by the unit owners and unit</u>	24.34
10	<u>mortgagees submitting the initial phase to cooperative</u>	1:1os
11	<u>ownership provide for and describe in detail all anticipated</u>	24.36
12	<u>phases, the impact, if any, which the completion of subsequent</u>	24.37
13	<u>phases would have upon the initial phase, and the time period</u>	24.38
14	<u>within which all phases must be added to the cooperative and</u>	
15	<u>must comply with the requirements of this section or the right</u>	24.39
16	<u>to add additional phases shall expire each phase must be</u>	24.41
17	<u>completed.</u>	
18	(2) The original cooperative documents shall describe:	24.42
19	(a) The land which may become part of the cooperative	24.43
20	and the land on which each phase is to be built. The	24.45
21	descriptions shall include metes and bounds or other legal	24.46
22	descriptions of the land for each phase, plot plans, and	24.49
23	surveys. <u>Plot plans, attached as an exhibit, must show the</u>	1:1us
24	<u>approximate location of all existing and proposed buildings</u>	24.51
25	<u>and improvements that may ultimately be contained within the</u>	
26	<u>cooperative. The plot plan may be modified by the developer</u>	24.52
27	<u>as to unit or building types to the extent that such changes</u>	24.53
28	<u>are described in the cooperative documents. If provided in</u>	24.54
29	<u>the cooperative documents, the developer may make nonmaterial</u>	
30	<u>changes in the legal description of a phase.</u>	24.55
31		

1	(b) The <u>minimum and maximum</u> number and general size of	24.56
2	units to be included in each phase. <u>The general size may be</u>	1:lus
3	<u>expressed in terms of minimum and maximum square feet. In</u>	24.59
4	<u>stating the minimum and maximum number of units, the</u>	
5	<u>difference between the minimum and maximum numbers shall not</u>	24.60
6	<u>be greater than 20 percent of the maximum.</u>	
7	(c) Each unit's percentage ownership in the common	24.61
8	areas as each phase is added. <u>In lieu of specific</u>	1:lus
9	<u>percentages, a formula for reallocating each unit's proportion</u>	
10	<u>or percentage of ownership in the common areas and manner of</u>	24.64
11	<u>sharing common expenses and owning common surplus as</u>	24.65
12	<u>additional units are added to the cooperative by the addition</u>	
13	<u>of any land may be described. The basis for allocating</u>	25.1
14	<u>percentage ownership of units in phases added shall be</u>	
15	<u>consistent with the basis for allocation made among the units</u>	25.2
16	<u>originally in the cooperative.</u>	
17	(d) The recreation areas and facilities to be owned as	25.5
18	common areas by all unit owners and all personal property to	
19	be provided <u>as each phase is added to the cooperative, and</u>	25.7
20	those facilities or areas which may not be built or provided	25.8
21	if any phase or phases are not developed and added as a part	
22	of the cooperative. <u>The developer may reserve the right to</u>	1:lus
23	<u>add additional common area recreational facilities if the</u>	25.11
24	<u>original cooperative documents contain a description of each</u>	
25	<u>type of facility and its proposed location. The cooperative</u>	25.13
26	<u>documents shall set forth the circumstances under which such</u>	
27	<u>facilities will be added.</u>	25.14
28	(e) The membership vote and ownership in the	25.14
29	association attributable to each unit in each phase and the	25.15
30	results if any phase or phases are not developed and added as	25.16
31	a part of the cooperative.	

1	<u>(f) Whether or not time-share estates will or may be</u>	25.17
2	<u>created with respect to units in any phase, and if so, the</u>	
3	<u>degree, quantity, nature, and extent of such estates,</u>	25.18
4	<u>specifying the minimum duration of the recurring periods of</u>	25.19
5	<u>rights of use, possession, or occupancy that may be</u>	
6	<u>established with respect to any unit.</u>	25.20
7	(3) The developer shall notify owners of existing	25.21
8	units of the commencement of, or the decision not to add, one	25.23
9	or more additional phases. Notice shall be by certified mail	25.24
10	addressed to each owner at the address of his unit or at his	25.26
11	last known address.	
12	(4) If one or more phases are not built, the units	25.28
13	which are built are entitled to 100 percent ownership of all	
14	common areas within the phases actually developed and added as	25.29
15	a part of the cooperative.	
16	(5) If the cooperative documents require the developer	25.30
17	to convey any additional lands or facilities to the	25.31
18	cooperative after the completion of the first phase and he	
19	fails to do so within the time specified, or within a	25.33
20	reasonable time if none is specified, then any owner of a unit	25.34
21	or the association may enforce such obligations against the	25.35
22	developer or bring an action against the developer for damages	
23	caused by the developer's failure to convey to the association	25.37
24	such additional lands or facilities.	
25	(6) <u>Notwithstanding other provisions of this chapter,</u>	25.38
26	<u>any amendments by the developer adding any land to the</u>	
27	<u>cooperative shall be consistent with the provisions of the</u>	25.39
28	<u>cooperative documents granting such right and shall contain or</u>	25.40
29	<u>provide for the following matters:</u>	
30	<u>(a) The legal description of the land being added to</u>	25.41
31	<u>the cooperative.</u>	25.42

1	<u>(b) An identification by letter, name or number, or a</u>	1:lus
2	<u>combination thereof, of each unit within the land added to the</u>	25.43
3	<u>cooperative, to ensure that no unit in the cooperative,</u>	25.44
4	<u>including the additional land, will bear the same designation</u>	
5	<u>as any other unit.</u>	25.45
6	<u>(c) A survey of the additional land and graphic</u>	1:lus
7	<u>description of the improvements in which any units are located</u>	25.46
8	<u>and a plot plan thereof, and a certificate of surveyor, in</u>	25.47
9	<u>conformance with s. 719.1035(4)(e).</u>	
10	<u>(d) The undivided share in the common areas</u>	25.48
11	<u>appurtenant to each unit in the cooperative stated as</u>	
12	<u>percentages or fractions which, in the aggregate, must equal</u>	25.49
13	<u>the whole and must be determined in conformance with the</u>	
14	<u>manner of allocation set forth in the original cooperative</u>	25.50
15	<u>documents.</u>	
16	<u>(e) The proportions or percentages and the manner of</u>	25.51
17	<u>sharing common expenses and owning common surplus which for</u>	
18	<u>residential units must be the same as the undivided share in</u>	25.52
19	<u>the common areas. Amendments adding phases to a cooperative</u>	25.54
20	<u>shall not require the execution of such amendments or consents</u>	25.56
21	<u>thereto by unit owners other than the developer, unless the</u>	25.57
22	<u>amendment permits the creation of time-share estates in any</u>	25.58
23	<u>unit of the additional phase of the condominium and such</u>	25.59
24	<u>creation is not authorized by the original declaration.</u>	25.60
25	Section 24. Subsection (1) of section 719.501, Florida	25.61
26	Statutes, as amended by chapter 85-60, Laws of Florida, is	25.62
27	amended to read:	
28	719.501 Powers and duties of Division of Florida Land	25.63
29	Sales, Condominiums, and Mobile Homes.--	25.64
30	(1) The Division of Florida Land Sales, Condominiums,	25.65
31	and Mobile Homes of the Department of Business Regulation,	26.1

1	referred to as the "division" in this part, in addition to	
2	other powers and duties prescribed by chapter 498, has the	26.2
3	power to enforce and ensure compliance with the provisions of	26.4
4	this chapter and rules promulgated pursuant hereto relating to	
5	the development, construction, sale, lease, ownership,	26.7
6	operation, and management of residential cooperative units.	26.8
7	In performing its duties, the division shall have the	26.9
8	following powers and duties:	26.10
9	(a) The division may make necessary public or private	26.11
10	investigations within or outside this state to determine	26.12
11	whether any person has violated this chapter or any rule or	
12	order hereunder, to aid in the enforcement of this chapter, or	26.13
13	to aid in the adoption of rules or forms hereunder.	26.14
14	(b) The division may require or permit any person to	26.14
15	file a statement in writing, under oath or otherwise, as the	26.17
16	division determines, as to the facts and circumstances	
17	concerning a matter to be investigated.	26.18
18	(c) For the purpose of any investigation under this	26.19
19	chapter, the division director or any officer or employee	26.21
20	designated by the division director may administer oaths or	
21	affirmations, subpoena witnesses and compel their attendance,	26.22
22	take evidence, and require the production of any matter which	26.23
23	is relevant to the investigation, including the existence,	
24	description, nature, custody, condition, and location of any	26.24
25	books, documents, or other tangible things and the identity	26.25
26	and location of persons having knowledge of relevant facts or	
27	any other matter reasonably calculated to lead to the	26.26
28	discovery of material evidence. Upon failure by a person to	26.27
29	obey a subpoena or to answer questions propounded by the	
30	investigating officer and upon reasonable notice to all	26.29
31		

1	persons affected thereby, the division may apply to the	
2	circuit court for an order compelling compliance.	26.30
3	(d) Notwithstanding any remedies available to unit	26.31
4	owners and associations, if the division has reasonable cause	26.32
5	to believe that a violation of any provision of this chapter	
6	or rule promulgated pursuant hereto has occurred, the division	26.33
7	may institute enforcement proceedings in its own name against	26.34
8	a developer or association, or its assignees or agents, as	
9	follows:	26.35
10	1. The division may permit a person whose conduct or	26.35
11	actions may be under investigation to waive formal proceedings	26.36
12	and enter into a consent proceeding whereby orders, rules, or	26.37
13	letters of censure or warning, whether formal or informal, may	
14	be entered against the person.	26.38
15	2. The division may issue an order requiring the	26.38
16	developer or association, or its assignees or agents, to cease	26.39
17	and desist from the unlawful practice and take such	
18	affirmative action as in the judgment of the division will	26.40
19	carry out the purposes of this chapter.	26.41
20	3. The division may bring an action in circuit court	26.41
21	<u>on behalf of a class of unit owners, lessees, or purchasers</u>	26.42
22	<u>for declaratory relief, injunctive relief, or restitution.</u>	26.43
23	4. The division may impose a civil penalty against a	26.43
24	developer or association, or its assignees or agents, for any	26.44
25	violation of this chapter or a rule promulgated pursuant	26.45
26	hereto. A penalty may be imposed on the basis of each day of	26.46
27	continuing violation, but in no event shall the penalty for	26.47
28	any offense exceed \$5,000. All amounts collected shall be	26.48
29	deposited with the Treasurer to the credit of the Florida	
30	Condominiums Trust Fund. If a developer fails to pay the	26.50
31	civil penalty, the division shall thereupon issue an order	

1	directing that such developer cease and desist from further	26.51
2	operation until such time as the civil penalty is paid or may	26.52
3	pursue enforcement of the penalty in a court of competent	
4	jurisdiction. If an association fails to pay the civil	26.53
5	penalty, the division shall thereupon pursue enforcement in a	26.54
6	court of competent jurisdiction, and the order imposing the	
7	civil penalty or the cease and desist order shall not become	26.56
8	effective until 20 days after the date of such order. Any	26.57
9	action commenced by the division shall be brought in the	
10	county in which the division has its executive offices or in	26.58
11	the county where the violation occurred.	
12	(e) The division is authorized to prepare and	26.59
13	disseminate a prospectus and other information to assist	26.60
14	prospective owners, purchasers, lessees, and developers of	
15	residential cooperatives in assessing the rights, privileges,	26.61
16	and duties pertaining thereto.	
17	(f) The division is authorized to promulgate rules,	26.63
18	pursuant to chapter 120, necessary to implement, enforce, and	26.64
19	interpret this chapter.	26.65
20	<u>(g) The division shall establish procedures for</u>	1:1us
21	<u>providing notice to an association when the division is</u>	26.66
22	<u>considering the issuance of a declaratory statement with</u>	
23	<u>respect to the cooperative documents governing such</u>	27.1
24	<u>cooperative community.</u>	
25	(h) (g) The division shall furnish each association	27.2
26	which pays the fees required by paragraph (2)(a) a copy of	27.3
27	this act and the rules promulgated pursuant thereto.	27.4
28	<u>(i) The division shall annually provide each</u>	1:1us
29	<u>association with a summary of declaratory statements and</u>	27.6
30	<u>formal legal opinions relating to the operations of</u>	
31		

1	<u>cooperatives which were rendered by the division during the</u>	27.7
2	<u>previous year.</u>	
3	Section 25. Subsection (2) of section 719.502, Florida	27.8
4	Statutes, as amended by chapter 85-60, Laws of Florida, is	
5	amended to read:	27.9
6	719.502 Filing prior to sale or lease.--	27.10
7	(2)(a) Prior to filing as required by subsection (1),	27.11
8	a developer shall not offer a contract for purchase or lease	27.12
9	of a unit for more than 5 years but may accept deposits for	27.13
10	reservations upon the approval of a fully executed escrow	27.14
11	agreement and reservation agreement form properly filed with	27.15
12	the Division of Florida Land Sales, Condominiums, and Mobile	27.16
13	Homes. Reservations shall not be taken on a proposed	27.17
14	cooperative unless the developer has an ownership, leasehold,	27.18
15	or contractual interest in the land upon which the cooperative	27.19
16	is to be developed. The division shall notify the developer	27.20
17	within 20 days of receipt of the reservation filing of any	27.21
18	deficiencies contained therein. Such notification shall not	27.23
19	preclude the determination of reservation filing deficiencies	
20	at a later date, nor shall it relieve the developer of any	27.25
21	responsibility under the law. The escrow agreement and the	27.26
22	reservation agreement form shall include a statement of the	
23	right of the prospective purchaser to an immediate unqualified	27.28
24	refund of the reservation deposit moneys upon written request	
25	to the escrow agent by the prospective purchaser or the	27.30
26	developer.	
27	(b) The executed escrow agreement signed by the	27.32
28	developer and the escrow agent shall contain the following	27.34
29	information:	
30	1. A statement that the escrow agent will grant a	27.35
31	prospective purchaser an immediate, unqualified refund of the	

1	reservation deposit moneys upon written request either	27.36
2	directly to the escrow agent or to the developer,	27.37
3	2. A statement that the escrow agent is responsible	27.37
4	for not releasing moneys directly to the developer except as a	27.38
5	downpayment on the purchase price at the time a contract is	27.39
6	signed by the <u>purchaser, if provided for in the contract.</u>	
7	(c) The reservation agreement form shall include the	27.40
8	following:	
9	1. A statement of the obligation of the developer to	27.41
10	file cooperative documents with the division prior to entering	27.43
11	into a binding purchase or lease agreement for more than 5	27.44
12	years.	
13	2. A statement of the right of the prospective	27.45
14	purchaser to receive all cooperative documents as required by	27.48
15	this chapter.	
16	3. The name and address of the escrow agent and-a	27.49
17	statement-that-the-prospective-purchaser-may-obtain-a-receipt	27.52
18	from-the-agent-upon-request.	
19	4. A statement as to whether the developer assures	27.53
20	that the purchase price represented in or pursuant to the	27.54
21	reservation agreement will be the price in the contract for	27.55
22	purchase and sale or that the price represented may be	27.56
23	exceeded within a stated amount or percentage or that no	27.57
24	assurance is given as to the price in the contract for	27.58
25	purchase and sale.	
26	5. A statement that the deposit must be payable to the	27.59
27	escrow agent and that the escrow agent must provide a receipt	27.60
28	to the prospective purchaser.	
29	Section 26. Paragraph (a) of subsection (1) of section	27.61
30	719.503, Florida Statutes, is amended to read:	27.62
31	719.503 Disclosure prior to sale.--	27.63

1	(1) CONTENTS OF CONTRACTS.--Any contracts for the sale	27.64
2	of a unit or a lease thereof for an unexpired term of more	27.65
3	than 5 years shall contain:	
4	(a) The following legend in conspicuous type: THIS	27.66
5	AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF	
6	THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE	28.1
7	OF EXECUTION OF THIS AGREEMENT BY THE BUYER, AND RECEIPT BY	28.2
8	BUYER OF ALL OF THE ITEMS REQUIRED TO BE DELIVERED TO HIM BY	28.3
9	THE DEVELOPER UNDER SECTION 719.503, FLORIDA STATUTES. <u>THIS</u>	1:lus
10	<u>AGREEMENT IS ALSO VOIDABLE BY BUYER BY DELIVERING WRITTEN</u>	
11	<u>NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER</u>	28.5
12	<u>THE DATE OF RECEIPT FROM THE DEVELOPER OF ANY AMENDMENT WHICH</u>	28.6
13	<u>MATERIALLY ALTERS OR MODIFIES THE OFFERING IN A MANNER THAT IS</u>	
14	<u>ADVERSE TO THE BUYER. ANY PURPORTED WAIVER OF THESE</u>	28.7
15	<u>VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND</u>	28.8
16	THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 15 DAYS	28.9
17	AFTER THE BUYER HAS RECEIVED ALL OF THE ITEMS REQUIRED.	28.10
18	BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT	28.12
19	CLOSING.	
20	Section 27. Paragraph (b) of subsection (4) and	28.13
21	subsections (14) and (24) of section 719.504, Florida	28.14
22	Statutes, as amended by chapter 85-60, Laws of Florida, are	
23	amended, and subsection (25) is added to said section, to	28.15
24	read:	
25	719.504 Prospectus or offering circular.--Every	28.16
26	developer of a residential cooperative which contains more	28.18
27	than 20 residential units, or which is part of a group of	28.19
28	residential cooperatives which will be served by property to	28.20
29	be used in common by unit owners of more than 20 residential	28.21
30	units, shall prepare a prospectus or offering circular and	28.22
31	file it with the Division of Florida Land Sales, Condominiums,	28.23

1	and Mobile Homes prior to entering into an enforceable	28.24
2	contract of purchase and sale of any unit or lease of a unit	28.26
3	for more than 5 years and shall furnish a copy of the	
4	prospectus or offering circular to each buyer. The prospectus	28.29
5	or offering circular may include more than one cooperative,	28.30
6	although not all such units are being offered for sale as of	28.31
7	the date of the prospectus or offering circular. The	28.32
8	prospectus or offering circular must contain the following	28.34
9	information:	
10	(4) Beginning on the first page of the text (not	28.36
11	including the summary and index), a description of the	
12	cooperative, including, but not limited to, the following	28.37
13	information:	
14	(b) A description of the cooperative property,	28.37
15	including, without limitation:	28.38
16	1. The number of buildings, the number of units in	28.39
17	each building, the number of bathrooms and bedrooms in each	
18	unit, and the total number of <u>units, if the cooperative is not</u>	28.40
19	<u>a phase cooperative. If the cooperative is a phase</u>	28.41
20	<u>cooperative, the maximum number of buildings that may be</u>	
21	<u>contained within the cooperative, the minimum and maximum</u>	28.42
22	<u>number of units in each building, the minimum and maximum</u>	28.43
23	<u>number of bathrooms and bedrooms that may be contained in each</u>	
24	<u>unit, and the maximum number of units that may be contained</u>	28.44
25	<u>within the cooperative.</u>	
26	2. The page in the cooperative documents where a copy	28.46
27	of the survey and plot plan of the cooperative is located.	
28	3. The estimated latest date of completion of	28.47
29	constructing, finishing, and equipping. In lieu of a date, a	28.48
30	statement that the estimated date of completion of the	
31		

1	cooperative is in the purchase agreement and a reference to	28.49
2	the article or paragraph containing that information.	28.50
3	(14) If the cooperative is part of a phase project,	28.52
4	<u>the following shall be stated:</u>	28.53
5	(a) <u>A statement in conspicuous type in substantially</u>	1:lus
6	<u>the following form shall be included: THIS IS A PHASE</u>	28.54
7	<u>COOPERATIVE. ADDITIONAL LAND AND UNITS MAY BE ADDED TO THIS</u>	28.55
8	<u>COOPERATIVE. Immediately following this statement, the</u>	28.56
9	<u>location in the disclosure materials where the phasing is</u>	
10	<u>described shall be stated.</u>	28.57
11	(b) <u>A summary of the provisions of the declaration</u>	28.58
12	<u>providing for the phasing.</u>	
13	(c) <u>A statement as to whether or not residential</u>	28.59
14	<u>buildings and units which are added to the cooperative may be</u>	
15	<u>substantially different from the residential buildings and</u>	28.60
16	<u>units originally in the cooperative, and if the added</u>	
17	<u>residential buildings and units may be substantially</u>	28.61
18	<u>different, there shall be a general description of the extent</u>	28.62
19	<u>to which such added residential buildings and units may</u>	
20	<u>differ, and a statement in conspicuous type in substantially</u>	28.63
21	<u>the following form shall be included: BUILDINGS AND UNITS</u>	28.64
22	<u>WHICH ARE ADDED TO THE COOPERATIVE MAY BE SUBSTANTIALLY</u>	
23	<u>DIFFERENT FROM THE OTHER BUILDINGS AND UNITS IN THE</u>	28.65
24	<u>COOPERATIVE. Immediately following this statement, the</u>	28.66
25	<u>location in the disclosure materials where the extent to which</u>	29.1
26	<u>added residential buildings and units may substantially differ</u>	
27	<u>is described shall be stated.</u>	29.2
28	(d) <u>A statement of the maximum number of buildings</u>	1:lus
29	<u>containing units, the maximum and minimum number of units in</u>	29.5
30	<u>each building, the maximum number of units, and the minimum</u>	
31	<u>and maximum square footage of the units that may be contained</u>	29.6

1	<u>within each parcel of land which may be added to the</u>	29.7
2	<u>cooperative. there shall be a statement to that effect and a</u>	29.8
3	<u>complete description of the phasing.</u>	
4	(24) Any prospectus or offering circular complying	29.11
5	with the provisions of former ss. 711.69 and 711.802 prior to	29.12
6	the effective date of this act may continue to be used without	
7	amendment, or may be amended to comply with the provisions of	29.14
8	this chapter.	
9	(25) <u>A brief narrative description of the location and</u>	1:1us
10	<u>effect of all existing and intended easements located or to be</u>	29.16
11	<u>located on the cooperative property other than those in the</u>	
12	<u>declaration.</u>	29.17
13	Section 28. Paragraph (b) of subsection (1) of section	29.17
14	719.506, Florida Statutes, is amended to read:	29.18
15	719.506 Publication of false and misleading	29.20
16	information.--	
17	(1) Any person who, in reasonable reliance upon any	29.22
18	material statement or information that is false or misleading	
19	and published by or under authority from the developer in	29.23
20	advertising and promotional materials, including, but not	29.24
21	limited to, a prospectus, the items required as exhibits to a	29.26
22	prospectus, brochures, and newspaper advertising, pays	
23	anything of value toward the lease of a cooperative parcel	29.27
24	located in this state shall have a cause of action to rescind	29.29
25	the contract or collect damages from the developer for his	29.30
26	loss prior to the closing of the transaction. After the	29.31
27	closing of the transaction, the lessee shall have a cause of	29.33
28	action against the developer for damages under this section	29.34
29	from the time of closing until 1 year after the date upon	
30	which the last of the events described in paragraphs (a)	29.36
31	through (d) shall occur:	

1	(b) The first issuance by the applicable governmental	29.37
2	authority of a certificate of occupancy or other evidence of	
3	sufficient completion of construction of the building	29.38
4	containing the unit to allow lawful occupancy of the unit. In	29.40
5	counties or municipalities in which certificates of occupancy	29.42
6	or other evidences of completion sufficient to allow lawful	
7	occupancy are not customarily issued, for the purpose of this	29.43
8	section, evidence of lawful occupancy shall be deemed <u>to be</u>	29.44
9	given or issued upon the date that such lawful occupancy of	29.46
10	the unit may first be allowed under prevailing applicable	
11	laws, ordinances, or statutes;	29.47
12		
13	Under no circumstances shall a cause of action created or	29.48
14	recognized under this section survive for a period of more	29.49
15	than 5 years after the closing of the transaction.	
16	Section 29. Subsection (3) of section 719.606, Florida	29.50
17	Statutes, is amended to read:	
18	719.606 Conversion of existing improvements to	29.51
19	cooperative; rental agreements.--When existing improvements	29.52
20	are converted to ownership as a residential cooperative:	29.53
21	(3) After the date of a notice of intended conversion,	29.54
22	a tenant may terminate <u>any</u> the rental agreement, or any	29.56
23	extension period <u>having an unexpired term of 180 days or less,</u>	29.57
24	upon 30 days' written notice to the developer. However,	29.58
25	unless the rental agreement was entered into, extended, or	
26	renewed after the effective date of this part, the tenant may	29.60
27	not unilaterally terminate the rental agreement but may	
28	unilaterally terminate any extension period <u>having an</u>	29.61
29	<u>unexpired term of 180 days or less</u> upon 30 days' written	29.62
30	notice.	
31		

1	Section 30. Paragraph (a) of subsection (2) of section	29.63
2	719.608, Florida Statutes, as amended by chapter 85-60, Laws	29.64
3	of Florida, is amended to read:	29.65
4	719.608 Notice of intended conversion; time of	29.66
5	delivery; content.--	30.1
6	(2)(a) Each notice of intended conversion shall be	30.2
7	dated and in writing. The notice shall contain the following	30.3
8	statement, with the phrases of the following statement which	
9	appear in upper case printed in conspicuous type:	30.4
10		
11	These apartments are being converted to cooperative by	30.5
12	...(name of developer)..., the developer.	30.6
13	1. YOU MAY REMAIN AS A RESIDENT UNTIL THE EXPIRATION	30.7
14	OF YOUR RENTAL AGREEMENT. FURTHER, YOU MAY EXTEND YOUR RENTAL	30.8
15	AGREEMENT AS FOLLOWS:	
16	a. If you have continuously been a resident of these	30.9
17	apartments during the last 180 days and your rental agreement	30.10
18	expires during the next 270 days, you may extend your rental	
19	agreement for up to 270 days after the date of this notice.	30.11
20	b. If you have not been a continuous resident of these	30.12
21	apartments for the last 180 days and your rental agreement	30.13
22	expires during the next 180 days, you may extend your rental	
23	agreement for up to 180 days after the date of this notice.	30.14
24	c. IN ORDER FOR YOU TO EXTEND YOUR RENTAL AGREEMENT,	30.15
25	YOU MUST GIVE THE DEVELOPER WRITTEN NOTICE WITHIN 45 DAYS	30.16
26	AFTER THE DATE OF THIS NOTICE.	
27	2. IF YOUR RENTAL AGREEMENT EXPIRES IN THE NEXT 45	30.17
28	DAYS, you may extend your rental agreement for up to 45 days	30.18
29	after the date of this notice while you decide whether to	30.19
30	extend your rental agreement as explained above. To do so,	30.20
31	you must notify the developer in writing. You will then have	30.21

1	the full 45 days to decide whether to extend your rental	
2	agreement as explained above.	30.22
3	3. During the extension of your rental agreement you	30.23
4	will be charged the same rent that you are now paying.	30.24
5	4. YOU MAY CANCEL YOUR RENTAL AGREEMENT AND ANY	30.25
6	EXTENSION OF THE RENTAL AGREEMENT AS FOLLOWS:	30.26
7	a. If your rental agreement began or was extended or	30.27
8	renewed after <u>May 1, 1980, and your rental agreement,</u>	30.28
9	<u>including extensions and renewals, has an unexpired term of</u>	
10	<u>180 days or less</u> ---(effective-date-of-part)--- , you may	30.30
11	cancel your rental agreement upon 30 days' written notice and	30.31
12	move. Also, upon 30 days' written notice, you may cancel any	30.32
13	extension of the rental agreement.	
14	b. If your rental agreement was not begun or was not	30.33
15	extended or renewed after <u>May 1, 1980</u> ---(effective-date-of	1:1us
16	part)--- , you may not cancel the rental agreement without the	30.37
17	consent of the developer. <u>If your rental agreement, including</u>	1:1us
18	<u>extensions and renewals, has an unexpired term of 180 days or</u>	30.41
19	<u>less,</u> you may, however, upon 30 days' written notice cancel	
20	any extension of the rental agreement.	30.42
21	5. All notices must be given in writing and sent by	30.43
22	mail, return receipt requested, or delivered in person to the	30.44
23	developer at this address: ...(name and address of	30.45
24	developer)....	
25	6. If you have continuously been a resident of these	30.46
26	apartments during the last 180 days:	30.47
27	a. You have the right to purchase your apartment and	30.47
28	will have 45 days to decide whether to purchase. If you do	30.49
29	not buy the unit at that price and the unit is later offered	
30	at a lower price, you will have the opportunity to buy the	30.50
31	unit at the lower price. However, in all events your right to	30.52

1	purchase the unit ends when the rental agreement or any	
2	extension of the rental agreement ends or when you waive this	30.53
3	right in writing.	
4	b. Within 90 days you will be provided purchase	30.54
5	information relating to your apartment, including the price of	30.56
6	your unit and the condition of the building. If you do not	30.57
7	receive this information within 90 days, your rental agreement	
8	and any extension will be extended 1 day for each day over 90	30.58
9	days until you are given the purchase information. If you do	30.59
10	not want this rental agreement extension, you must notify the	
11	developer in writing.	
12	7. If you have any questions regarding this conversion	30.60
13	or the Cooperative Act, you may contact the developer or the	30.61
14	state agency which regulates cooperatives: The Division of	30.62
15	Florida Land Sales, Condominiums, and Mobile Homes	30.63
16	...(Tallahassee address and telephone number of division)....	30.65
17	Section 31. Subsection (1) of section 719.61, Florida	30.66
18	Statutes, is amended to read:	
19	719.61 Notices.--	31.1
20	(1) All notices from tenants to a developer shall be	31.1
21	deemed given when deposited in the United States mail,	31.2
22	addressed to the developer's address as stated in the notice	31.4
23	of conversion, and sent by mail ; postage prepaid, return	
24	receipt requested, or when personally delivered in writing by	31.7
25	the tenant to the developer at such address. The date of a	31.8
26	notice is the date when it is mailed or personally delivered	
27	by the tenant.	
28	Section 32. Paragraph (c) of subsection (1) and	31.9
29	subsection (2) of section 719.612, Florida Statutes, are	31.10
30	amended to read:	
31	719.612 Right of first refusal.--	31.11

1	(1) Each tenant, who for the 180 days preceding a	31.12
2	notice of intended conversion has been a residential tenant of	
3	the existing improvements, shall have the right of first	31.13
4	refusal to purchase the unit in which he resides on the date	31.14
5	of the notice, under the following terms and conditions:	
6	(c) If, after any right of first refusal has expired,	31.15
7	the developer offers the unit at a price lower than that	31.16
8	offered to the tenant, the developer shall in writing notify	
9	the tenant prior to the publication of the offer. The tenant	31.18
10	shall have the right of first refusal at the lower price for a	
11	period of not less than an additional 10 days after the date	31.19
12	of the notice. Thereafter, the tenant shall have no	31.20
13	additional right of first refusal. As used in this paragraph,	31.21
14	"offer" includes any solicitation to the general public by	
15	means of newspaper advertisement, radio, television, or	31.22
16	written or printed sales literature or price <u>list, but shall</u>	31.23
17	<u>not include a transaction involving the sale of more than one</u>	
18	<u>unit to one purchaser.</u>	31.24
19	(2) Prior to closing on the sale of the unit, a tenant	31.25
20	alleging a developer's violation of paragraph (1)(c) may bring	31.26
21	an action for equitable or other relief, including specific	
22	performance. Subsequent to closing, the tenant's sole remedy	31.28
23	for such a violation shall be damages. In addition to any	31.29
24	damages otherwise recoverable by law, the tenant shall be	
25	entitled to an amount equal <u>to</u> the difference between the	31.30
26	price last offered in writing to the tenant pursuant to this	31.31
27	section and the price at which the unit was sold to a third	31.32
28	party, plus court costs and attorney's fees.	31.33
29	Section 33. Subsection (3) of section 719.616, Florida	31.34
30	Statutes, is amended to read:	
31		

1	719.616 Disclosure of condition of building and	31.35
2	estimated replacement costs.--	31.36
3	(2) The following information shall be stated	31.36
4	concerning the improvements:	
5	(a) The date and type of construction.	31.37
6	(b) The prior use.	31.38
7	(c) Whether there is termite damage or infestation and	31.39
8	whether the termite damage or infestation, if any, has been	31.40
9	properly treated. The statement shall be substantiated by	31.41
10	including, as an exhibit, an inspection report by a certified	31.42
11	pest control operator.	
12	(3)(a) Disclosure of condition shall be made for each	31.43
13	of the following components that the existing improvements may	31.44
14	include:	
15	1. Roof.	31.45
16	<u>2. Structure.</u>	1:1us
17	<u>3. Fireproofing and fire protection systems.</u>	31.47
18	<u>4.2</u> Elevators.	1:1us
19	<u>5.3</u> Heating and cooling systems.	1:1us
20	<u>6.4</u> Plumbing.	1:1us
21	<u>7.5</u> Electrical systems.	1:1us
22	<u>8.6</u> Swimming pool.	1:1us
23	<u>9.7</u> Seawalls.	1:1us
24	<u>10.8</u> Pavement and parking areas.	1:1us
25	<u>11.9</u> Drainage systems.	1:1us
26	(b) For each component, the following information	31.56
27	shall be disclosed and substantiated by attaching a copy of a	31.57
28	certificate under seal of an architect or engineer authorized	
29	to practice in this state:	31.58
30	1. The age of the component.	31.59
31		

1	2. The estimated remaining useful life of the	31.60
2	component.	
3	3. The estimated current replacement cost of the	31.61
4	component, expressed:	
5	a. As a total amount, and	31.62
6	b. As a per unit amount, based upon each unit's	31.62
7	proportional share of the common expenses.	31.63
8	4. The structural <u>and functional</u> soundness of the	31.64
9	component.	
10	Section 34. Subsection (7) of section 719.618, Florida	31.65
11	Statutes, 1984 Supplement, is amended to read:	31.66
12	719.618 Converter reserve accounts; warranties.--	32.1
13	(7) A developer makes no implied warranties when	32.2
14	existing improvements are converted to ownership as a	32.3
15	residential cooperative and reserve accounts are funded in	
16	accordance with this section. As an alternative to	32.5
17	establishing such reserve accounts, or when a developer fails	
18	to establish the reserve accounts in accordance with this	32.6
19	section, the developer shall be deemed to have granted to the	32.7
20	purchaser of each unit an implied warranty of fitness and	
21	merchantability for the purposes or uses intended, as to the	32.8
22	roof and structural components of the improvements; as to	
23	fireproofing and fire protection systems; and as to	32.9
24	mechanical, electrical, and plumbing elements serving the	32.10
25	improvements, except mechanical elements serving only one	32.11
26	unit. The warranty shall be for a period beginning with the	32.12
27	notice of intended conversion and continuing for 3 years	32.13
28	thereafter, or the recording of the declaration to cooperative	
29	and continuing for 3 years thereafter, or 1 year after owners	32.14
30	other than the developer obtain control of the association,	32.15
31	whichever occurs last, but in no event more than 5 years.	

1	(a) The warranty provided for in this section is	32.16
2	conditioned upon routine maintenance being performed, unless	32.17
3	the maintenance is an obligation of the developer or a	
4	developer-controlled association.	32.18
5	(b) The warranty shall inure to the benefit of each	32.19
6	owner and successor owner.	
7	(c)--Nothing in this section affects conversions of	1:10s
8	existing improvements for which the developer has filed with	32.22
9	the division prior to May 1, 1980.	
10	<u>(c)</u> (d) Existing improvements converted to residential	1:1us
11	cooperative may be covered by an insured warranty program	32.25
12	underwritten by an insurance company authorized to do business	
13	in this state, if such warranty program meets the minimum	32.26
14	requirements of this chapter. To the degree that the warranty	32.27
15	program does not meet the minimum requirements of this	
16	chapter, such requirements shall apply.	32.28
17	Section 35. This act shall take effect October 1,	32.29
18	1986.	
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1	*****	1:hbs
2	HOUSE SUMMARY	1:hbs
3	Revises the provisions of the "Cooperative Act" to	32.33
4	reflect changes made in parallel provisions of the	32.34
	condominium law. Among such changes the act provides:	
5	1. A detailed list of what constitutes the official	32.36
	records of the cooperative.	
6	2. For voluntary binding arbitration for internal	32.38
	disputes.	
7	3. Authority for the cooperative association to fine	32.40
	members as much as \$50 for each violation of cooperative	32.41
	documents or rules.	
8	4. That cooperative documents be filed as public	32.43
	records.	
9	5. That liens for unpaid assessments attach to the	32.45
10	shares held by the cooperative owner rather than to the unit	32.46
	he leases.	
11	Also, with respect to both condominiums and cooperatives,	32.48
12	restricts the power of the association to charge a use	32.49
	fee for common elements, and modifies provisions relating	
13	to notice of intended conversion.	32.50
14	See bill for details.	32.52
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Documentation List
Laws of Florida, 1986, Chapter 86-175, Section 7
Amending Florida Statutes §718.3025
"Condominiums - Agreements for operation..."

1. Joint Legislative Management Committee Division of Legislative Information, History of Legislation, 1986 Regular Session; SB 192 (pp. 55-56), HB 173 (p 223), and Citator for FS §718.3025 (p. 425)
2. CS/SB 192 by the Senate Committee on Economic, Community and Consumer Affairs, [5/6/86], Section 5 and Statement of Substantial Changes. Pp 1, 15, 91-92 (**Note** The language adding sub-section (4) to FS §718.3025 was not in the original version of this bill).
3. Senate. Committee on Economic, Community and Consumer Affairs. Staff Analysis of CS/SB 192, May 7, 1986, revised May 9, 1986 (See page 2 for discussion of FS §718.3025)
4. Journal of the Florida House of Representatives, May 29, 1986, pp. 590-591, re. amendments to CS/HB 173, 410 & 661 (**Note** The language adding sub-section (4) to FS §718.3025 was not in any versions of these bills It was added by amendment 5 by Rep Peter Dunbar).
5. House Committee on Judiciary. Staff Analysis of CS/SB 192, June 25, 1986 (See page 3 for discussion of section 7)
6. Laws of Florida, 1986, Chapter 86-175, Section 7 and effective date, in Vol. I, Part two, pp 1202, 1209 and 1251.

By the Committee on Economic, Community and Consumer Affairs and
Senators Jenne and Weinstein—

This publication was produced at an average cost of 1.5 cents per page
for the information of members of the Legislature and the public.

1 A bill to be entitled
2 An act relating to condominiums and
3 cooperatives; creating ss. 718.1035, 719.1035,
4 F.S.; providing that the use of a power of
5 attorney that affects any aspect of the
6 operation of a condominium or cooperative shall
7 be subject to certain requirements; amending s.
8 718.111, F.S.; authorizing the condominium
9 association to take part in actions in eminent
10 domain; revising language with respect to
11 official records; amending s. 718.112, F.S.;
12 revising language with respect to bylaws, the
13 annual budget of common expenses of a
14 condominium with respect to reserve accounts
15 for deferred maintenance, assessments, transfer
16 fees, fidelity bonds, and arbitration;
17 authorizing the acceleration of assessments
18 under certain circumstances; providing for
19 fidelity bonds; amending ss. 718.116, F.S.;
20 providing for priority of liens; amending s.
21 718.3025, F.S., relating to operation,
22 maintenance, or management; amending s.
23 718.501, F.S., relating to powers and duties of
24 the division; amending s. 718.608, F.S.,
25 relating to notice of conversion and time of
26 delivery; amending s. 719.103, F.S., relating
27 to definitions; amending s. 719.104, F.S.;
28 providing for required official records with
29 respect to cooperative associations; amending
30 s. 719.105, F.S., relating to cooperative
31 parcels; amending s. 719.106, F.S.; revising

1 the period of its ownership of such parcel, whether or not
2 such parcel is unoccupied, be excused from the payment of some
3 or all of the common expenses coming due during the period of
4 such ownership.

5 Section 5. Subsection (4) is added to section
6 718.3025, Florida Statutes, to read:

7 718.3025 Agreements for operation, maintenance, or
8 management of condominiums; specific requirements.--

9 (4) Notwithstanding the fact that certain vendors
10 contract with associations to maintain equipment or property
11 which is made available to serve unit owners, it is the intent
12 of the Legislature that this section applies to contracts for
13 maintenance or management services for which the association
14 pays compensation. This section does not apply to contracts
15 for services or property made available for the convenience of
16 unit owners by lessees or licensees of the association, such
17 as coin operated laundry, food, soft drink, or telephone
18 vendors; cable television operators; retail store operators;
19 businesses; restaurants; or similar vendors.

20 Section 6. Paragraph (j) is added to subsection (1) of
21 section 718.501, Florida Statutes, to read:

22 718.501 Powers and duties of Division of Florida Land
23 Sales, Condominiums, and Mobile Homes.--

24 (1) The Division of Florida Land Sales, Condominiums,
25 and Mobile Homes of the Department of Business Regulation,
26 referred to as the "division" in this part, in addition to
27 other powers and duties prescribed by chapter 498, has the
28 power to enforce and ensure compliance with the provisions of
29 this chapter and rules promulgated pursuant hereto relating to
30 the development, construction, sale, lease, ownership,
31 operation, and management of residential condominium units.

1 Section 40. This act shall take effect October 1,
2 1986.

3
4
5 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
6 COMMITTEE SUBSTITUTE FOR
7 Senate Bill 192

8 --The bill makes several clarifying, technical, and
9 substantive amendments to the Condominium Act including:

10 --requiring that a power of attorney affecting any aspect
11 of the operation of a condominium be subject to
12 regulations and documents in force at the time the power
13 was executed;

14 --authorizing the association to take part in actions in
15 eminent domain;

16 --revising language with respect to bylaws;

17 --authorizing the acceleration of assessments under
18 certain circumstances;

19 --providing for priority of liens;

20 --revising provisions relating to notice of conversion.

21 --The balance of the bill significantly amends the
22 Cooperative Act to conform the provisions of that act to
23 those of the Condominium Act, where appropriate, including:

24 --redefining the term developer;

25 --designating what constitutes the official records of
26 the cooperative;

27 --granting the association the power to make and collect
28 assessments and to buy land or make recreational leases;

29 --making voting rights an appurtenance to the cooperative
30 parcel;

31 --providing that notice of the annual meeting may be
 mailed by regular mail or hand delivered under certain
 circumstances;

 --imposing mandatory arbitration when the board of
 directors fails to certify the recall of a board member;

 --prohibiting the imposition of certain transfer fees;

 --requiring that certain officers and directors be
 bonded;

--requiring cooperatives provide for voluntary binding arbitration for internal disputes;

--providing an 18% interest rate on past due rents and assessments if the cooperative documents are silent as to such rates;

--requiring funds collected as special assessments be returned to unit owners if not used for the purpose collected;

--requiring that ad valorem taxes be assessable against parcels and not the cooperative property;

--requiring escrow agents be independent of the developer;

--making the developer responsible for violations made prior to turnover of control of the association to the unit owners;

--authorizing the association to levy fines against unit owners for failure to comply with association rules or documents;

--designating when and under what circumstances phase development of a cooperative is permissible;

--making the developer liable for expenses related to relinquishing control to the association.

See bill for additional details.

**GENERAL ACTS
RESOLUTIONS AND MEMORIALS
ADOPTED BY THE
NINTH LEGISLATURE OF FLORIDA
UNDER THE CONSTITUTION
AS REVISED IN 1968**

**During the Regular Session
April 8, 1986 through June 7, 1986
and the Special Session
June 19, 1986**



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prior to use by the Commodity Testing Laboratory of the Florida Department of Agriculture and Consumer Services.

(2) Any public or lodging establishment as defined in this chapter, or any timeshare unit of a timeshare plan, as defined in chapters 718 and 721 for which the construction contract was let prior to July 1, 1986 shall not be subject within a period of five (5) years as specified.

Legislative Documentation Files
 effect upon becoming a law.
 by the Governor July 1, 1986.

Filed in Office Secretary of State July 1, 1986.

CHAPTER 86-175

Committee Substitute for Senate Bill No. 192

An act relating to consumer housing regulated by the Department of Business Regulation; amending s. 194.011, F.S.; allowing a condominium association to file with the property appraisal adjustment board a joint petition on behalf of certain association members; amending s. 194.013, F.S.; providing that the board may charge a fee for filing joint petitions based on costs; amending s. 194.034, F.S.; providing additional procedures for hearing joint petitions; creating s. 718.1035, F.S.; providing that the use of a power of attorney that affects any aspect of the operation of a condominium shall be subject to certain requirements; amending s. 718.111, F.S.; authorizing the condominium association to defend actions in eminent domain or bring actions for inverse condemnation; revising language with respect to official records; amending s. 718.112, F.S.; revising language with respect to bylaws, the annual budget of common expenses of a condominium with respect to reserve accounts for deferred maintenance, assessments, transfer fees, fidelity bonds, and arbitration; authorizing the acceleration of assessments under certain circumstances; providing for fidelity bonds; amending s. 718.3025, F.S., relating to operation, maintenance, or management; amending s. 718.501, F.S., relating to powers and duties of the division; amending s. 718.608, F.S., relating to notice of conversion and time of delivery; amending s. 719.103, F.S., relating to definitions; amending s. 719.104, F.S.; providing for required official records with respect to cooperative associations; amending s. 719.105, F.S., relating to cooperative parcels; amending s. 719.106, F.S.; revising language with respect to the annual budget of common expenses of a cooperative with respect to reserve accounts for deferred maintenance; providing for priority of liens; creating s. 719.1065, F.S.; providing that the use of a power of attorney that affects any aspect of the operation of a cooperative shall be subject to certain requirements; amending s. 719.107, F.S., relating to common expenses; amending s. 719.108, F.S., relating to rent and assessment; amending s. 719.109, F.S., relating to rights of owners to

(1) Arbitration.--There shall be a provision for voluntary binding arbitration of internal disputes arising from the operation of the condominium among developers, unit owners, associations, and their agents and assigns.

Section 7. Subsection (4) is added to section 718.3025, Florida Statutes, to read:

718.3025 Agreements for operation, maintenance, or management of condominiums; specific requirements.--

(4) Notwithstanding the fact that certain vendors contract with associations to maintain equipment or property which is made available to serve unit owners, it is the intent of the Legislature that this section applies to contracts for maintenance or management services for which the association pays compensation. This section does not apply to contracts for services or property made available for the convenience of unit owners by lessees or licensees of the association, such as coin operated laundry, food, soft drink, or telephone vendors; cable television operators; retail store operators; businesses; restaurants; or similar vendors.

Section 8. Paragraph (j) is added to subsection (1) of section 718.501, Florida Statutes, to read:

718.501 Powers and duties of Division of Florida Land Sales, Condominiums, and Mobile Homes.--

(1) The Division of Florida Land Sales, Condominiums, and Mobile Homes of the Department of Business Regulation, referred to as the "division" in this part, in addition to other powers and duties prescribed by chapter 498, has the power to enforce and ensure compliance with the provisions of this chapter and rules promulgated pursuant hereto relating to the development, construction, sale, lease, ownership, operation, and management of residential condominium units. In performing its duties, the division has the following powers and duties:

(j) The division shall adopt uniform accounting principles, policies, and standards to be used by all associations in the preparation and presentation of all financial statements required by this chapter. The principles, policies, and standards shall take into consideration the size of the association and the total revenue collected by the association.

Section 9. Paragraph (a) of subsection (2) of section 718.608, Florida Statutes, is amended to read:

718.608 Notice of intended conversion; time of delivery; content.--

(2)(a) Each notice of intended conversion shall be dated and in writing. The notice shall contain the following statement, with the phrases of the following statement which appear in upper case printed in conspicuous type:

These apartments are being converted to condominium by ...(name of developer)..., the developer.

~~(c)~~~~(d)~~ Existing improvements converted to residential cooperative may be covered by an insured warranty program underwritten by an insurance company authorized to do business in this state, if such warranty program meets the minimum requirements of this chapter. To the degree that the warranty program does not meet the minimum requirements of this chapter, such requirements shall apply.

Section 43. Section 718.302(1)(e), Florida Statutes, is hereby repealed.

Section 44. This act shall take effect October 1, 1986 except that this section and the amendments to s. 514.0115, Florida Statutes, contained in section 1, shall take effect upon becoming a law.

Approved by the Governor July 1, 1986.

Filed in Office Secretary of State July 1, 1986.

CHAPTER 86-176

Committee Substitute for Senate Bill No. 194

An act relating to child abuse or neglect; amending s. 415.505, F.S.; allowing certain school instructional staff members to be present at initial interviews with children in certain child protective and criminal investigations; prohibiting school personnel from being present at investigations under any other circumstances; prohibiting disclosure of information; providing for confidentiality; prohibiting schools or school instructional staff from maintaining records; providing penalties; providing an effective date.

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

Section 1. Present paragraphs (i) and (j) of subsection (1) of section 415.505, Florida Statutes, are redesignated as paragraphs (j) and (k) respectively, and a new paragraph (i) is added to said subsection to read:

415.505 Child protective investigations; institutional child abuse or neglect investigations.--

(1)

(i) In a child protective investigation or a criminal investigation, when the initial interview with the child is conducted at school, the department or the law enforcement agency may allow, notwithstanding the provisions of s. 39.411(4), a school instructional staff member who is known by the child to be present during the initial interview if:

1. The department or law enforcement agency believes that the school instructional staff member could enhance the success of the interview by his presence; and

2. The child requests or consents to the presence of the school instructional staff member at the interview.