1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

A bill to be entitled An act relating to homeowners' associations; amending s. 468.4334, F.S.; providing requirements for certain community association managers and community association management firms; amending s. 468.4337, F.S.; requiring certain community association managers to take a specific number of hours of continuing education biennially; amending s. 720.303, F.S.; requiring official records of a homeowners' association to be maintained for a certain number of years; requiring an association to post certain documents on its website or make such documents available through an application by a date certain; providing requirements for an association's website or application; requiring an association to provide certain information to parcel owners upon request; requiring an association to ensure certain information and records are not accessible on the website or application; providing that an association or its agent is not liable for the disclosure of certain information; requiring an association to adopt certain rules; requiring an association to provide or make available subpoenaed records within a certain timeframe; requiring an association to assist in a law enforcement investigation as allowed by law; requiring

Page 1 of 23

that certain associations use an independent certified public accountant to prepare its annual budget; requiring certain associations to retain an attorney for certain purposes; prohibiting certain persons from acting as the accountant or attorney; amending s. 720.3033, F.S.; providing education requirements for newly elected or appointed directors; providing requirements for the educational curriculum; requiring certain directors to complete a certain number of hours of continuing education annually; requiring the Department of Business and Professional Regulation to adopt certain rules; providing criminal penalties for certain actions by an officer, a director, or a manager of an association; amending s. 720.3035, F.S.; requiring an association or any architectural, construction improvement, or other such similar committee of an association to apply and enforce certain standards reasonably and equitably; requiring an association or any architectural, construction improvement, or other such similar committee of an association to provide certain written notice to a parcel owner; amending s. 720.3085, F.S.; conforming a cross-reference; providing an effective date.

49

50

2.6

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

47

48

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

Page 2 of 23

Section 1. Subsection (3) is added to section 468.4334, Florida Statutes, to read:

468.4334 Professional practice standards; liability; community association manager requirements.—

- (3) A community association manager or community association management firm that is authorized by contract to provide community association management services to a homeowners' association must do all of the following:
- (a) Attend in person at least one member meeting or board meeting of the homeowners' association annually.
- (b) Provide to the members of the homeowners' association the name and contact information for each community association manager or representative of a community association management firm assigned to the homeowners' association, the manager's or representative's hours of availability, and a summary of the duties for which the manager or representative is responsible. The homeowners' association must also post this information on the association's website or application required under s.

 720.303(4)(b). The community association manager or community association management firm must update the homeowners' association and its members within 14 business days after any change to such information.
- (c) Provide to any member upon request a copy of the contract between the community association manager or community

Page 3 of 23

76 association management firm and the homeowners' association and 77 include such contract with association's governing documents. 78 Section 2. Section 468.4337, Florida Statutes, is amended 79 to read: 468.4337 Continuing education.—The department may not 80 renew a license until the licensee submits proof that the 81 82 licensee has completed the requisite hours of continuing education. No more than 10 hours of continuing education 83 84 annually shall be required for renewal of a license. The number of continuing education hours, criteria, and course content 85 shall be approved by the council by rule. The council may not 86 87 require more than 10 hours of continuing education annually for renewal of a license. A community association manager who 88 89 provides community association management services to a 90 homeowners' association must biennially complete at least 5 91 hours of continuing education that pertains specifically to 92 homeowners' associations, 3 hours of which must relate to 93 recordkeeping. 94 Section 3. Subsections (4) and (5) and paragraphs (a), 95 (d), and (f) of subsection (6) of section 720.303, Florida 96 Statutes, are amended to read: 97 720.303 Association powers and duties; meetings of board; 98 official records; budgets; financial reporting; association 99 funds; recalls.-100 (4) OFFICIAL RECORDS.—

Page 4 of 23

101	(a) The association shall maintain each of the following
102	items, when applicable, for at least 7 years, unless the
103	governing documents of the association require a longer period
104	of time, which constitute the official records of the
105	association:
106	1.(a) Copies of any plans, specifications, permits, and
107	warranties related to improvements constructed on the common
108	areas or other property that the association is obligated to
109	maintain, repair, or replace.
110	$2. ext{(b)}$ A copy of the bylaws of the association and of each
111	amendment to the bylaws.
112	3.(c) A copy of the articles of incorporation of the
113	association and of each amendment thereto.
114	4.(d) A copy of the declaration of covenants and a copy of
115	each amendment thereto.
116	5.(e) A copy of the current rules of the homeowners'
117	association.
118	6.(f) The minutes of all meetings of the board of
119	directors and of the members, which minutes must be retained for
120	at least 7 years.
121	7. (g) A current roster of all members and their designated

Page 5 of 23

mailing addresses and parcel identifications. A member's

designated mailing address is the member's property address,

unless the member has sent written notice to the association

requesting that a different mailing address be used for all

CODING: Words stricken are deletions; words underlined are additions.

122

123

124

125

required notices. The association shall also maintain the e-mail addresses and the facsimile numbers designated by members for receiving notice sent by electronic transmission of those members consenting to receive notice by electronic transmission. A member's e-mail address is the e-mail address the member provided when consenting in writing to receiving notice by electronic transmission, unless the member has sent written notice to the association requesting that a different e-mail address be used for all required notices. The e-mail addresses and facsimile numbers provided by members to receive notice by electronic transmission must be removed from association records when the member revokes consent to receive notice by electronic transmission. However, the association is not liable for an erroneous disclosure of the e-mail address or the facsimile number for receiving electronic transmission of notices.

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

9.(i) A current copy of all contracts to which the association is a party, including, without limitation, any management agreement, lease, or other contract under which the association has any obligation or responsibility. Bids received by the association for work to be performed <u>are must also be</u> considered official records and must be kept for a period of 1 year.

Page 6 of 23

10.(j) The financial and accounting records of the
association, kept according to good accounting practices. All
financial and accounting records must be maintained for a period
of at least 7 years. The financial and accounting records must
include:
$\underline{\text{a.1.}}$ Accurate, itemized, and detailed records of all
receipts and expenditures.
6.2. A current account and a periodic statement of the

- <u>b.</u>2. A current account and a periodic statement of the account for each member, designating the name and current address of each member who is obligated to pay assessments, the due date and amount of each assessment or other charge against the member, the date and amount of each payment on the account, and the balance due.
- $\underline{\text{c.3.}}$ All tax returns, financial statements, and financial reports of the association.
- $\underline{\text{d.4.}}$ Any other records that identify, measure, record, or communicate financial information.
- $\underline{11.(k)}$ A copy of the disclosure summary described in s. 720.401(1).
- $\underline{12.(1)}$ Ballots, sign-in sheets, voting proxies, and all other papers and electronic records relating to voting by parcel owners, which must be maintained for at least 1 year after the date of the election, vote, or meeting.
- $\frac{13.(m)}{(c)3.}$ All affirmative acknowledgments made pursuant to s. 720.3085(3)(c)3.

Page 7 of 23

 $\underline{14.(n)}$ All other written records of the association not specifically included in this subsection which are related to the operation of the association.

- (b)1. By January 1, 2025, an association shall post a current digital copy of the documents specified in paragraph (a) on its website or make such documents available through an application that can be downloaded on a mobile device.
- 2. The association's website or application must be accessible through the Internet and must contain a subpage, web portal, or other protected electronic location that is inaccessible to the general public and accessible only to parcel owners and employees of the association.
- 3. Upon written request by a parcel owner, the association must provide the parcel owner with a username and password and access to the protected sections of the association's website or application which contains the official documents of the association.
- 4. The association shall ensure that the information and records described in paragraph (5)(d), which are not allowed to be accessible to parcel owners, are not posted on the association's website or application. If protected information or information restricted from being accessible to parcel owners is included in documents that are required to be posted on the association's website or application, the association must ensure the information is redacted before posting the documents.

Notwithstanding the foregoing, the association or its authorized agent is not liable for disclosing information that is protected or restricted under paragraph (5) (d) unless such disclosure was made with a knowing or intentional disregard of the protected or restricted nature of such information.

2.01

- (c) The association shall adopt written rules governing the method or policy by which the official records of the association are to be retained and for how long such records must be retained. Such information must be made available to the parcel owners through the association's website or application.
- provided by law or the governing documents of the association, the official records must shall be maintained within the state for at least 7 years and shall be made available to a parcel owner for inspection or photocopying within 45 miles of the community or within the county in which the association is located within 10 business days after receipt by the board or its designee of a written request from the parcel owner. This subsection may be complied with by having a copy of the official records available for inspection or copying in the community or at the option of the association, by making the records available to a parcel owner electronically via the association's website or application Internet or by allowing the records to be viewed in electronic format on a computer screen and printed upon request. If the association has a photocopy machine

available where the records are maintained, it must provide parcel owners with copies on request during the inspection if the entire request is limited to no more than 25 pages. An association shall allow a member or his or her authorized representative to use a portable device, including a smartphone, tablet, portable scanner, or any other technology capable of scanning or taking photographs, to make an electronic copy of the official records in lieu of the association's providing the member or his or her authorized representative with a copy of such records. The association may not charge a fee to a member or his or her authorized representative for the use of a portable device.

- (a) The failure of an association to provide access to the records within 10 business days after receipt of a written request submitted by certified mail, return receipt requested, creates a rebuttable presumption that the association willfully failed to comply with this subsection.
- (b) A member who is denied access to official records is entitled to the actual damages or minimum damages for the association's willful failure to comply with this subsection. The minimum damages are to be \$50 per calendar day up to 10 days, the calculation to begin on the 11th business day after receipt of the written request.
- (c) The association may adopt reasonable written rules governing the frequency, time, location, notice, records to be

Page 10 of 23

251

252

253

254

255

256

257

258

259

260

261

262

263

264

265

266

267

268

269

270

271

272

273

274

275

inspected, and manner of inspections, but may not require a parcel owner to demonstrate any proper purpose for the inspection, state any reason for the inspection, or limit a parcel owner's right to inspect records to less than one 8-hour business day per month. The association may impose fees to cover the costs of providing copies of the official records, including the costs of copying and the costs required for personnel to retrieve and copy the records if the time spent retrieving and copying the records exceeds one-half hour and if the personnel costs do not exceed \$20 per hour. Personnel costs may not be charged for records requests that result in the copying of 25 or fewer pages. The association may charge up to 25 cents per page for copies made on the association's photocopier. If the association does not have a photocopy machine available where the records are kept, or if the records requested to be copied exceed 25 pages in length, the association may have copies made by an outside duplicating service and may charge the actual cost of copying, as supported by the vendor invoice. The association shall maintain an adequate number of copies of the recorded governing documents, to ensure their availability to members and prospective members.

- (d) Notwithstanding this <u>subsection</u> paragraph, the following records are not accessible to members or parcel owners:
 - 1. Any record protected by the lawyer-client privilege as

Page 11 of 23

2.76

described in s. 90.502 and any record protected by the work-product privilege, including, but not limited to, a record prepared by an association attorney or prepared at the attorney's express direction which reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the association and which was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings or which was prepared in anticipation of such litigation or proceedings until the conclusion of the litigation or proceedings.

- 2. Information obtained by an association in connection with the approval of the lease, sale, or other transfer of a parcel.
- 3. Information an association obtains in a gated community in connection with guests' visits to parcel owners or community residents.
- 4. Personnel records of association or management company employees, including, but not limited to, disciplinary, payroll, health, and insurance records. For purposes of this subparagraph, the term "personnel records" does not include written employment agreements with an association or management company employee or budgetary or financial records that indicate the compensation paid to an association or management company employee.
 - 5. Medical records of parcel owners or community

Page 12 of 23

301 residents.

302

303

304

305

306

307

308

309

310

311

312

313

314

315

316

317

318

319

320

321

322

323

324

325

- Social security numbers, driver license numbers, credit card numbers, electronic mailing addresses, telephone numbers, facsimile numbers, emergency contact information, any addresses for a parcel owner other than as provided for association notice requirements, and other personal identifying information of any person, excluding the person's name, parcel designation, mailing address, and property address. Notwithstanding the restrictions in this subparagraph, an association may print and distribute to parcel owners a directory containing the name, parcel address, and all telephone numbers of each parcel owner. However, an owner may exclude his or her telephone numbers from the directory by so requesting in writing to the association. An owner may consent in writing to the disclosure of other contact information described in this subparagraph. The association is not liable for the disclosure of information that is protected under this subparagraph if the information is included in an official record of the association and is voluntarily provided by an owner and not requested by the association.
- 7. Any electronic security measure that is used by the association to safeguard data, including passwords.
- 8. The software and operating system used by the association which allows the manipulation of data, even if the owner owns a copy of the same software used by the association. The data is part of the official records of the association.

Page 13 of 23

9. All affirmative acknowledgments made pursuant to s. 720.3085(3)(c)3.

- (e)(d) The association or its authorized agent is not required to provide a prospective purchaser or lienholder with information about the residential subdivision or the association other than information or documents required by this chapter to be made available or disclosed. The association or its authorized agent may charge a reasonable fee to the prospective purchaser or lienholder or the current parcel owner or member for providing good faith responses to requests for information by or on behalf of a prospective purchaser or lienholder, other than that required by law, if the fee does not exceed \$150 plus the reasonable cost of photocopying and any attorney fees incurred by the association in connection with the response.
- (f) If an association receives a subpoena for records from a law enforcement agency, the association must provide a copy of such records or otherwise make the records available for inspection and copying to a law enforcement agency within 5 business days after receipt of the subpoena, unless otherwise specified by the law enforcement agency or subpoena. An association must assist a law enforcement agency in its investigation to the extent permissible by law.
 - (6) BUDGETS.-

(a) $\underline{1}$. The association shall prepare an annual budget that sets out the annual operating expenses. The budget must reflect

Page 14 of 23

the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges paid for by the association for recreational amenities, whether owned by the association, the developer, or another person. The association shall provide each member with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the member. The copy must be provided to the member within the time limits set forth in subsection (5).

- 2. An association that has 2,500 members or more must use an independent certified public accountant to prepare the association's annual budget. Such association must also retain an attorney to advise the association and its members on procedural matters relating to the annual budget and to foster communications between the board and the members of the association. The independent certified public accountant or attorney required under this subparagraph may not be:
- a. The community association manager or an employee of the community association management firm providing community association management services to the association; or
- b. An officer or a director of the association or an immediate family member of an officer or a director.
- (d) An association is deemed to have provided for reserve accounts upon the affirmative approval of a majority of the

Page 15 of 23

total voting interests of the association. Such approval may be obtained by vote of the members at a duly called meeting of the membership or by the written consent of a majority of the total voting interests of the association. The approval action of the membership must state that reserve accounts shall be provided for in the budget and must designate the components for which the reserve accounts are to be established. Upon approval by the membership, the board of directors or the independent certified public accountant, if required under paragraph (a), shall include the required reserve accounts in the budget in the next fiscal year following the approval and each year thereafter. Once established as provided in this subsection, the reserve accounts must be funded or maintained or have their funding waived in the manner provided in paragraph (f).

(f) After one or more reserve accounts are established, the membership of the association, upon a majority vote at a meeting at which a quorum is present, may provide for no reserves or less reserves than required by this section. If a meeting of the <u>parcel unit</u> owners has been called to determine whether to waive or reduce the funding of reserves and such result is not achieved or a quorum is not present, the reserves as included in the budget go into effect. After the turnover, the developer may vote its voting interest to waive or reduce the funding of reserves. Any vote taken pursuant to this subsection to waive or reduce reserves is applicable only to one

401 budget year.

Section 4. Subsections (1) and (3) of section 720.3033, Florida Statutes, are amended to read:

720.3033 Officers and directors.-

- (1)(a) Within 90 days after being elected or appointed to the board, each director shall certify in writing to the secretary of the association that he or she has read the association's declaration of covenants, articles of incorporation, bylaws, and current written rules and policies; that he or she will work to uphold such documents and policies to the best of his or her ability; and that he or she will faithfully discharge his or her fiduciary responsibility to the association's members. Within 90 days after being elected or appointed to the board, in lieu of such written certification, the newly elected or appointed director must may submit a certificate of having satisfactorily completed the educational curriculum administered by a department-approved division—approved education provider.
- 1. The newly elected or appointed director must complete the department-approved education for newly elected or appointed directors within 90 days after being elected or appointed.
- 2. The certificate of completion is valid for a maximum of 4 years.
- 3. A director must complete the education specific to newly elected or appointed directors at least every 4 years.

Page 17 of 23

4. The department-approved educational curriculum specific to newly elected or appointed directors must include training relating to financial literacy and transparency, recordkeeping, levying of fines, and notice and meeting requirements.

- 5. In addition to the educational curriculum specific to newly elected or appointed directors:
- <u>a. A director of an association that has fewer than 2,500 members must complete at least 4 hours of continuing education annually.</u>
- b. A director of an association that has 2,500 members or more must complete at least 8 hours of continuing education annually within 1 year before or 90 days after the date of election or appointment.
- (b) The written certification or educational certificate is valid for the uninterrupted tenure of the director on the board. A director who does not timely file the written certification or educational certificate is shall be suspended from the board until he or she complies with the requirement. The board may temporarily fill the vacancy during the period of suspension.
- (c) The association shall retain each director's written certification or educational certificate for inspection by the members for 5 years after the director's election. However, the failure to have the written certification or educational certificate on file does not affect the validity of any board

Page 18 of 23

451 action.

452

453

454

455

456

457

458

459

460

461

462

463

464

465

466

467

468

469

470

471

472

473

474

475

- (d) The department shall adopt rules to implement and administer the educational curriculum and continuing education requirements under this subsection.
- An officer, a director, or a manager may not solicit, offer to accept, or receive any thing or service of value for which consideration has not been provided for his or her benefit or for the benefit of a member of his or her immediate family from any person providing or proposing to provide goods or services to the association. An officer, a director, or a manager who knowingly solicits, offers to accept, or accepts, or receives any thing or service of value or kickback that is at least \$25 but not more than \$1,000 for which consideration has not been provided for his or her own benefit or that of his or her immediate family from any person providing or proposing to provide goods or services to the association commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083 and is subject to monetary damages under s. 617.0834. If such thing or kickback is valued at \$1,000 or more, the officer, director, or manager commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084 and <u>is subject to monetary</u> damages under s. 617.0834. If the board finds that an officer or a director has violated this subsection, the board shall immediately remove the officer or director from office. The

Page 19 of 23

vacancy shall be filled according to law until the end of the officer's or director's term of office. However, an officer, a director, or a manager may accept food to be consumed at a business meeting with a value of less than \$25 per individual or a service or good received in connection with trade fairs or education programs.

Section 5. Subsections (1) and (4) of section 720.3035, Florida Statutes, are amended to read:

720.3035 Architectural control covenants; parcel owner improvements; rights and privileges.—

(1) The authority of an association or any architectural, construction improvement, or other such similar committee of an association to review and approve plans and specifications for the location, size, type, or appearance of any structure or other improvement on a parcel, or to enforce standards for the external appearance of any structure or improvement located on a parcel, is shall be permitted only to the extent that the authority is specifically stated or reasonably inferred as to such location, size, type, or appearance in the declaration of covenants or other published guidelines and standards authorized by the declaration of covenants. An association or any architectural, construction improvement, or similar committee of an association must reasonably and equitably apply and enforce on all parcel owners the architectural and construction improvement standards authorized by the declaration of covenants

Page 20 of 23

or other published guidelines and standards authorized by the declaration of covenants.

501

502

503

504

505

506

507

508

509

510

511512

513

514

515

516

517

518

519

520

521

522

523

524

525

Each parcel owner is shall be entitled to the rights and privileges set forth in the declaration of covenants or other published guidelines and standards authorized by the declaration of covenants concerning the architectural use of the parcel, and the construction of permitted structures and improvements on the parcel and such rights and privileges may shall not be unreasonably infringed upon or impaired by the association or any architectural, construction improvement, or other such similar committee of the association. <u>If the</u> association or any architectural, construction improvement, or other such similar committee of the association denies a parcel owner's request or application for the construction of a structure or other improvement on a parcel, the association or committee must provide written notice to the parcel owner stating with specificity the rule or covenant on which the association or committee relied when denying the request or application and the specific aspect or part of the proposed improvement that does not conform to such rule or covenant. If the association or any architectural, construction improvement, or other such similar committee of the association should unreasonably, knowingly, and willfully infringe upon or impair the rights and privileges set forth in the declaration of covenants or other published guidelines and standards authorized

Page 21 of 23

by the declaration of covenants, the adversely affected parcel owner is shall be entitled to recover damages caused by such infringement or impairment, including any costs and reasonable attorney attorney's fees incurred in preserving or restoring the rights and privileges of the parcel owner set forth in the declaration of covenants or other published guidelines and standards authorized by the declaration of covenants.

Section 6. Paragraph (c) of subsection (3) of section 720.3085, Florida Statutes, is amended to read:

720.3085 Payment for assessments; lien claims.-

- (3) Assessments and installments on assessments that are not paid when due bear interest from the due date until paid at the rate provided in the declaration of covenants or the bylaws of the association, which rate may not exceed the rate allowed by law. If no rate is provided in the declaration or bylaws, interest accrues at the rate of 18 percent per year.
- (c)1. If an association sends out an invoice for assessments or a parcel's statement of the account described in $\underline{s.720.303(4)(a)10.b.}$ $\underline{s.720.303(4)(j)2.}$, the invoice for assessments or the parcel's statement of account must be delivered to the parcel owner by first-class United States mail or by electronic transmission to the parcel owner's e-mail address maintained in the association's official records.
- 2. Before changing the method of delivery for an invoice for assessments or the statement of the account, the association

Page 22 of 23

must deliver a written notice of such change to each parcel owner. The written notice must be delivered to the parcel owner at least 30 days before the association sends the invoice for assessments or the statement of the account by the new delivery method. The notice must be sent by first-class United States mail to the owner at his or her last address as reflected in the association's records and, if such address is not the parcel address, must be sent by first-class United States mail to the parcel address. Notice is deemed to have been delivered upon mailing as required by this subparagraph.

3. A parcel owner must affirmatively acknowledge his or her understanding that the association will change its method of delivery of the invoice for assessments or the statement of the account before the association may change the method of delivering an invoice for assessments or the statement of account. The parcel owner may make the affirmative acknowledgment electronically or in writing.

Section 7. This act shall take effect July 1, 2024.

Page 23 of 23