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# 2024 LEGISLATIVE UPDATES FOR FLORIDA CONDOMINIUMS AND COOPERATIVES

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Keeping up to date with legislative changes is vital in the field of laws that govern condominiums and cooperatives. The 2024 Florida legislative session has introduced major revisions impacting Florida condominium associations and cooperatives. This update is intended to highlight these changes and should not be considered a substitute for reviewing the respective laws governing condominiums and cooperatives.

House Bill 1021 ("HB 1021") is a comprehensive legislative act concerning community associations in Florida, largely focusing on condominiums (Chapter 718, Florida Statutes), cooperatives (Chapter 719, Florida Statutes), and community association managers (Chapter 468, Part VIII, Florida Statutes). This bill includes amendments to various sections of the Florida Statutes, providing new regulations and guidelines to enhance transparency, accountability, and safety in the management of these kinds of communities.

#### COMMUNITY ASSOCIATION MANAGEMENT UNDER CHAPTER 468, F.S.

## <u>Community Association Managers – Section 468.4334(3), F.S.</u> (note numbering conflict with HB 1203)

Creates a deadline of 20 business days for a terminated management company or manager to transfer all community association official records to the new management company or manager. Failure to comply with these updated requirements can result in the suspension of one's community association manager ("CAM") license and a civil penalty of \$1,000 per day, up to 10 business days. The statute will now require notices of termination of contractual agreements to provide community association management services be sent by certified mail/return receipt requested, or as specified in the contract.

#### Conflicts of Interest – Section 468.4335,(1)-(6), F.S.

Creates a requirement for CAMs and community association management firms to disclose conflicts of interest. A rebuttable presumption of a conflict of interest exists if any of the following occurs without prior notice: (a) a CAM, management firm (including directors, officers, and persons with financial interest in the firm), or a relative of such persons, enters into a contract for goods or services with the association, or (b) a CAM, management firm (including directors, officers, and persons with financial interest in the firm), or a relative of such persons, holds an interest in or receives compensation or anything of value from a business entity that conducts business with the association or proposes to do so.

If an association receives and considers a bid that exceeds \$2,500 to provide a good or service other than community association management services from a CAM, management firm (including directors, officers, and persons with financial interest in the firm), or relative of such persons, the association must solicit multiple competitive bids from other third-party providers for such goods or services.

A disclosure of the proposed activity that is a conflict of interest must be listed on, and copies of all contracts and transactional documents related to the proposed activity must be attached to, the meeting agenda of the next board meeting, and the disclosures of any possible conflict of interest must be entered into the written minutes of the meeting.

Approval of the contract (including a management contract between the community association and the CAM or community association management firm, or other transaction) requires the affirmative vote of two-thirds of the directors present. At the next regular or special meeting of the members, the existence of the conflict of interest and the contract or other transaction must be disclosed to the members.

If a conflict of interest in an existing contract entered into between a CAM or community association management firm and the board of directors was previously disclosed, the conflict of interest does not need to be additionally noticed and voted on during the term of such contract, but, upon renewal, must be noticed and voted in accordance with this Section.

If the board finds that a CAM or management firm (including directors, officers, and persons with financial interest in the firm), and relatives of such persons, has violated this Section, the association may cancel any such contract. If the contract is canceled, the association is liable only for the reasonable value of the management services provided up to the time of cancellation, and is not liable for any termination fees, liquidated damages, or other forms of penalty for such cancellation.

Failure to properly disclose a conflict of interest renders the contract with the CAM, management firm, or relative of such persons voidable, and terminates upon the association filing a written notice of termination with the board of directors that contains the consent of 20% of the voting interests of the association.

As used in this Section, the term "relative" means a relative within the third degree of consanguinity by blood or marriage.

#### Penalty for Failure to Disclose Conflicts of Interest – Section 468.436(2)(b), F.S.

Failure of a CAM or management firm to disclose a conflict of interest may result in disciplinary action, including denial of an application for licensure; revocation or suspension of a license; administrative fines up to \$5,000 for each count or separate offense; issuance of a reprimand; placement of the CAM on probation; or restriction of the CAM's authorized scope of practice.

#### MILESTONE INSPECTIONS UNDER CHAPTER 553, F.S.

#### Milestone Inspections – Section 553.899(4), F.S.

Currently, in Section 553.899(4), F.S., there is an exemption from the requirement of a Milestone Inspection for any single-family, two-family, and three-family dwelling with three or fewer habitable stories above ground. However, the bill adds four-family dwellings to that list while keeping the same height requirement.

## CONDOMINIUMS UNDER CHAPTER 718, F.S.

## Changes to Creation of Condominiums – Section 718.104(4)(b), F.S.

The changes now require condominiums created within a portion of a building or within a multiple parcel building to include the name by which the condominium is to be identified followed by the words "a condominium within a portion of a building or within a multiple parcel building."

## Criminal Penalties – Sections 718.111 and 718.112, F.S.:

<u>Section 718.111(1)(a), F.S.</u> – Any officer, director, or manager may not solicit, offer to accept, or accept a kickback. Any officer, director, or manager who knowingly solicits, offers to accept, or accepts a kickback commits a third degree felony and must be removed from office or a vacancy declared. This does not prohibit an officer, director, or manager from accepting services or items received in connection with trade fairs or education programs.

<u>Section 718.111(12)(c)2, F.S.</u> – A director or member of the board or association, or a community association manager, who knowingly, willingly, and repeatedly violates any of the statutory requirements to provide access to inspect and obtain copies of association records to a unit owner or an owner's authorized representative with an intent to cause harm to an owner, commits a second-degree misdemeanor and must be removed from office and a vacancy declared. In other words, the individual shall be deemed to be removed from office. The term "repeatedly" is defined as two or more violations within a 12-month period. This includes the burdensome new requirements set forth in this bill.

<u>Section 718.111(12)(c)3, F.S.</u> – Any person who knowingly or intentionally defaces or destroys accounting records that are required to be maintained during the period for which such records are required to be maintained, or who knowingly or intentionally fails to create or maintain accounting records that are required to be maintained, with the intent of causing harm to the association or one or more of its members, commits a misdemeanor of the first degree and must be removed from office and a vacancy declared.

<u>Section 718.111(12)(c)(4), F.S.</u> – Any person who willfully and knowingly refuses to release or otherwise produce association records with the intent to avoid or escape detection, arrest, trial, or punishment for the commission of a crime, or to assist another person with such avoidance or escape, commits a felony of the third degree and must be removed from office and a vacancy declared.

<u>Section 718.111(15)(b), F.S.</u> – For several years, association directors, officers, employees, or agents have been forbidden from using debit cards for association expenses if the card is issued in the association's name or billed directly to the association. HB 1021 changes provide that any person who uses such a debit card for an expense that has not received prior approval from the board and is not documented in the written minutes or budget – even if it is a legitimate association expense – commits theft under Section 812.014, F.S., and such person must be removed from office and a vacancy declared.

<u>Section 718.112(2)(r)1-2, F.S.</u> — In addition to the aforementioned criminal penalties, numerous acts involving association elections have been added. These acts include, but are not limited to, fraud, generally; willfully making a false affidavit; fraud in connection with a vote cast, to be cast, or attempted to be cast; fraudulently changing or attempting to change a ballot, a ballot envelope, a vote, or a voting certificate; menacing, threatening, or using bribery or any other corruption to influence, deceive, or deter a member from voting; giving or promising anything of value to a member to influence that member's vote other than wearable campaign advertisements of nominal value or food at an election rally; and using force or violence or any "tactic of coercion".

## Official Record Keeping – Section 718.111(12), F.S.

Email addresses are only accessible to unit owners if consent to receive notice by electronic transmission is provided, or if the unit owner has expressly indicated that such personal information can be shared with other unit owners and has not opted out. The association must redact email addresses and other personal information from records provided to third parties other than unit owners. The limitation of liability for inadvertent disclosure of email addresses is now only available if such disclosure does not consist of the *knowing or intentional disregard* of the protected nature of such information.

New requirements have been added that require additional record keeping. In regard to the accounting records, all previous requirements are still in place with the addition of transaction receipts or deposit slips that substantiate any receipt or expenditure of funds by the association.

Additionally, a copy of all building permits and satisfactorily completed board member educational certificates are now required.

All official records must be maintained in an organized manner that facilitates an inspection of the records by a unit owner. In the event that the official records are lost, destroyed, or otherwise unavailable, the obligation to maintain the official records includes a good faith obligation to obtain and recover those records as is reasonably practicable.

If requested records are posted on an association's website or are available for download through an application on a mobile device, the association may fulfill its obligations in response to records requests by directing all persons authorized to request access to such website or application.

Additionally, upon request to inspect records, the association must simultaneously provide the requestor with a checklist of all records made available for inspection and copying. The checklist must also identify any association's official records that were not made available to the requestor. Said checklist must be maintained by the association for 7 years.

Effective January 1, 2026, an association managing a condominium with 25 or more units that does not contain timeshare units shall post digital copies of the documents specified in Section 718.111(12)(g)2,a-o, F.S., on its website or make them available through an application that can be downloaded on a mobile device, which documents include:

- The recorded declaration of condominium for each condominium operated by the association and all amendments thereto.
- The recorded bylaws of the association and all amendments thereto.
- The articles of incorporation of the association, or other documents creating the association, and all amendments thereto. The copy of the articles posted to the website must be the copy filed with the Department of State.
- The rules of the association.

- A list of all executory contracts or documents to which the association is a party or under which the association or unit owners have an obligation or responsibility.
- A list of bids received by the association within the past year. Summaries of bids for materials, equipment, or services which exceed \$500 must be maintained on the website or application for 1 year, or in lieu thereof, complete copies of the bids may be posted.
- The annual budget and any proposed budget to be considered at the annual meeting.
- The financial report and any monthly income or expense statement to be considered at a meeting.
- The certification of each director.
- All contracts or transactions between the association and any director, officer, corporation, firm, or association that is not an affiliated condominium association or other entity in which an association director is also a director or officer and financially interested.
- Any contract or document regarding a conflict of interest or possible conflict.
- The notice of any unit owner meeting and agenda for the meeting no later than 14 days before the meeting on the front page of the website or application, or on a separate subpage labeled "Notices" that is conspicuously visible and linked from the front page.
- Any document to be considered and voted upon by owners at least 7 days before the meeting.
- Notice of any board meeting, the agenda, and any other document required by Section 718.112(2)(c), F.S., posted not later than the date required for notice.
- Inspection reports and any other inspection reports relating to a structural or life safety inspection of condominium property.
- The association's most recent structural integrity reserve study, if applicable.
- Copies of all building permits issued for ongoing or planned construction.

# Financial Reporting and Audits – Section 718.111(13), F.S.

Within 21 days after the final financial report is completed by the association or received from a third party, but not later than 120 days after the end of the fiscal year or other date as provided in the bylaws, the association may now deliver to each unit owner by United States mail or personal delivery at the mailing address, property address, email address, or facsimile number provided to fulfill the association's notice requirements, a copy of the most recent financial report; and a notice that a copy of the most recent financial report will be mailed or hand delivered to the unit owner, without charge, within 5 business days after receipt of a written request from the unit owner.

Pursuant to Section 718.111(13)(d), F.S., an association may not reduce the financial statement requirement permitted thereunder for consecutive fiscal years. So, if the association votes to prepare a report of cash receipts and expenditures in lieu of a compiled, reviewed, or audited financial statement under Section 718.111(13)(d), F.S., in one fiscal year, the association cannot do so again in the next fiscal year. At most, it would be allowed every other year.

#### Board of Administration Meetings – Section 718.112(2)(c), F.S.

For associations managing a residential condominium with more than 10 units, the Board is required to meet at least once each quarter. At least four times each year, the meeting agenda must include an opportunity for the association members to ask questions of the board. It appears that the right to attend board meetings now includes the right to ask questions relating to reports on the status of any construction or repair projects, the status of revenues and expenditures during the current fiscal year, and other issues affecting the condominium.

In addition to the pre-existing requirements for board meetings, Section 718.112(2)(c)3., F.S., provides that, if an agenda item relates to the approval of a contract for goods or services, a copy of the contract must be provided with

the notice, made available for inspection and copying upon a written request from a unit owner, or made available on the association's website or through an application that can be downloaded on a mobile device.

## Mandatory Education Requirements – Section 718.112(2)(d)4.b., F.S.

In the past, new directors have had the option to either attend a directors education class <u>or</u> sign a certificate affirming they have read the condominium documents, will work to uphold them, and faithfully discharge their fiduciary responsibilities to the members. This has been changed to require <u>both actions</u> and will extend the requirements to existing directors by June 30, 2025.

New directors will have 90 days from their election or appointment to comply with these new requirements. The education requirement will be valid for 7 years from the date of certification and must be renewed for any subsequent board service. The education course will have detailed requirements, such as the course must last at least 4 hours, and the Division of Florida Condominiums, Timeshares, and Mobile Homes, will have rule-making authority for the curriculum. Additionally, an annual 1-hour class on recent changes to the Condominium Act (Chapter 718, F.S.) and Division Rules will be required.

## Reserve Funding When Building Deemed Uninhabitable – Section 718.112(2)(f)2.a., F.S.

If the local building official determines that the entire condominium building is uninhabitable due to a natural emergency, the board, upon the approval of a majority of its members, may pause the contribution to its reserves or reduce reserve funding until the local building official determines that the condominium building is habitable. Any reserve account funds held by the association may be expended, pursuant to the board's determination, to make the condominium building and its structure habitable. Upon determination by the local building official that the condominium building is habitable, the association must immediately resume contributing funds to its reserves.

## Structural Integrity Reserve Study – Section 718.112(2)(g)9., F.S.

Within 45 days after receiving the structural integrity reserve study (or "SIRS"), the association must distribute a copy of the study to each unit owner or deliver to each unit owner a notice that the completed study is available for inspection and copying upon written request. Distribution of a copy of the study or notice must be made by United States mail; or by personal delivery to the mailing address, property address, or any other address of the unit owner provided to fulfill the association's notice requirements; or by electronic transmission to the email address or facsimile number provided to fulfill the association's notice requirements to unit owners who previously consented to receive notice by electronic transmission.

Within 45 days after receiving the study, the association must provide the Division of Florida Condominiums, Timeshares, and Mobile Homes, with a statement indicating that the study was completed, and that the association provided or made available such study to each unit owner. The statement must be provided to the Division in the manner established by the Division using a form posted on the Division's website.

#### Hurricane Protection – Sections 718.103, 718.104, 718.113, and 718.115, F.S.

<u>Section 718.103(19), F.S.</u> – In this new Section, "hurricane protection" means hurricane shutters, impact glass, code-compliant windows or doors, and other code-compliant hurricane protection products used to preserve and protect the condominium property or association property.

<u>Section 718.104(4)(p), F.S.</u> – This new Section provides that a declaration of condominium must specify whether the unit owner or the association is responsible for the installation, maintenance, repair, or replacement of hurricane protection that is for the preservation and protection of the condominium property and association property.

<u>Section 718.113(5), F.S.</u> – Changes clarify that the installation, maintenance, repair, replacement and operation of hurricane protection under the law is not considered a material alteration or substantial addition to the common elements or association property within the meaning of Section 718.113, F.S.

Section 718.113(5)(a), F.S. – This Section now provides that subject to statutory requirements and the approval of a majority of the voting interests of a residential or mixed-use condominium, the association may install or require that unit owners install hurricane protection that complies with or exceeds the applicable building code. A vote of the unit owners to require the installation of hurricane protection must be set forth in a certificate attesting to the vote and include the date that the hurricane protection must be installed. The association must record the certificate in the public records of the county in which the condominium is located and then transmit a copy of the recorded certificate to the unit owners. However, a vote of the unit owners is not required if the installation, maintenance, repair and replacement of hurricane protection, or any exterior windows, doors, or other apertures protected by the hurricane protection, is the responsibility of the association or if the unit owners are required to install hurricane protection pursuant to the declaration of condominium as originally recorded or as amended. If hurricane protection that complies with or exceeds the current applicable building code has been previously installed, the board may not install the same type of hurricane protection unless the installed hurricane protection has reached the end of its useful life or unless it is necessary to prevent damage to the common elements or to a unit.

<u>Section 718.113(5)(d), F.S.</u> – This new Section provides that unit owners are exempt from the expense of installing hurricane protection if they already have compliant systems and if the installation for other units is financed by the association's budget (including reserves). Unit owners are also not responsible for the costs associated with the removal or reinstallation of hurricane protection or the windows/doors it covers if removal is necessary for the maintenance, repair, or replacement of other condominium property managed by the association. The association can choose whether this work is done by the association's own personnel or by the unit owner, with subsequent reimbursement from the association

<u>Section 718.113(5)(e)</u>, <u>F.S.</u> – This new Section provides that if removal or reinstallation of hurricane protection is the responsibility of a unit owner in any particular circumstance and the association completes such removal or reinstallation and charges the unit owner for the same, the charges are enforceable as an assessment and may be collected in the manner provided under Section 718.116, F.S.

<u>Section 718.115(1)(e)1, F.S.</u> — While expenses for the installation, replacement, operation, repair, or maintenance of hurricane protection on common elements and association property are common expenses, changes to this Section provide that, except as provided in Section 718.113(5)(d), F.S., if the installation of hurricane protection is the responsibility of the unit owners under the declaration, or a vote of the unit owners under Section 718.113(5), F.S., the cost of the installation of hurricane protection by the association is not a common expense and must be charged individually to the unit owners based upon the cost of installation of hurricane protection appurtenant to the unit. The costs of installation of hurricane protection are enforceable as an assessment and may be collected in the manner provided under Section 718.116, F.S.

<u>Section 718.115(1)(e)2, F.S.</u> – This Section now provides that the owner of a unit that has hurricane protection that complies with the current applicable building code is excused from any assessment levied by the association or shall receive a credit if the same type of hurricane protection is installed by the association. A credit is applicable if the installation of hurricane protection is for all other units that do not have hurricane protection and the cost of such installation is funded by the association's budget, including the use of reserve funds. The credit must be equal to the amount that the unit owner would have been assessed to install the hurricane protection. However, such unit owner remains responsible for the pro rata share of expenses for

hurricane protection installed on common elements and association property pursuant to 718.113(5), F.S., and remains responsible for the pro rata share of the expense of replacement, operation, repair, and maintenance of such.

## Statute of Repose – Section 718.124, F.S.

This Section governs limitations on actions by a condominium or cooperative association. In addition to the existing statute of limitations, the statute of repose has been added for any actions in law or in equity that the association may have and shall not begin to run until the unit owners have elected a majority of the members of the board.

# Protection Against Adverse Unit Owner Conduct - Section 718.1224, F.S.

Previous provisions that limited strategic lawsuits against public participation (or "SLAPP" suits) against unit owners by a government entity, business organization, and individual for speech at a public hearing or other related activities have been extended and expanded upon.

New Section 718.1224(3), F.S., has been added and provides that it is unlawful for a condominium association to fine, discriminatorily increase a unit owner's assessments, discriminatorily decrease services to a unit owner, or bring or threaten to bring an action for possession or other civil action, including a defamation, libel, slander, or tortious interference action, based on conduct as described therein. Examples of conduct for which a condominium association, an officer, a director, or an agent of an association may not retaliate include, but are not limited to, situations in which:

- The unit owner has in good faith complained to a governmental agency charged with responsibility for enforcement of a building, housing, or health code of a suspected violation applicable to the condominium.
- The unit owner has organized, encouraged, or participated in a unit owners' organization.
- The unit owner submitted information or filed a complaint alleging criminal violations of Chapter 718, F.S., or the rules of the Division of Florida Condominiums, Timeshares, and Mobile Homes with the Division, the Office of the Condominium Ombudsman, a law enforcement agency, a state attorney, the Attorney General, or other governmental agency.
- The unit owner exercised his or her rights under Chapter 718, F.S.
- The unit owner complained to the association or any of the association's representatives for the failure to comply with Chapters 718 or 617, F.S.
- The unit owner made a public statement critical of the operation or management of the association.

Additionally, pursuant to new Section 718.1224(7), F.S., condominium associations may not expend association funds in support of defamation, libel, slander, or tortious interference actions against a unit owner based upon the conduct described in Section 718.1224(3), F.S., listed above.

New Section 718.1224(4), F.S., provides that, in order for a unit owner to raise the defense of retaliatory conduct, the unit owner must have acted in good faith and not for any improper purposes, such as to harass or to cause unnecessary delay or for frivolous purpose or needless increase in the cost of litigation. Evidence of retaliatory conduct may be raised by the unit owner as a defense in any action brought against him or her for possession.

# Electronic Voting – Section 718.128, F.S.

Whereas previously a unit owner had to consent to online voting in writing, unit owners may now consent electronically or in writing. Further, Section 718.128(4), F.S., has been amended to provide that if the board authorizes online voting, the board must honor a unit owner's request to vote electronically at all subsequent elections, unless such unit owner opts out of online voting.

#### Transfer of Association Control – 718.301(4)(p), F.S.

This Section has been clarified to require that the turnover inspection report also consist of a structural integrity reserve study ("SIRS").

# Conflicts of Interest – Section 718.3027(4), F.S.

This amendment to this Section clarifies that the attendance of a director or officer with a possible conflict of interest at the meeting of the board is sufficient to constitute a quorum for the meeting and the vote in his or her absence on the proposed activity.

#### Voting Rights Suspension/Election – Section 718.303, F.S.

This Section has been amended to provide that an association must notify a unit owner or member that his or her voting rights may be suspended due to a nonpayment of a fee or other monetary obligation at least 90 days before an election. This is in addition to the current requirement that an owner or member must be notified of a suspension of their voting rights for nonpayment of any fee, fine, or other monetary obligation due the association that is more than \$1,000 or more than 90 days delinquent at least 30 days before such suspension takes effect.

### Condominiums Within a Portion of Building or Within a Multiple Parcel Building – Section 718.407, F.S.

Effective October 1, 2024, this new Section 718.407, F.S., allows condominiums to be established within a part of a building or in a multiple parcel building.

Section 718.407(2), F.S., provides that the common elements of these condominiums are restricted to the portions of the building that are included in the condominium form of ownership, excluding the individual units themselves.

Section 718.407(3), F.S., provides that the declaration of condominium must clearly delineate which parts of the building are included and which are excluded from the condominium. It must also specify who is responsible for maintaining and operating shared facilities, including, but not limited to, the roof, the exterior of the building, windows, balconies, elevators, building lobbies, corridors, recreational amenities, and utilities. Additionally, the declaration should describe how the expenses for these shared facilities will be divided among the owners. The apportionment of these expenses can be based on criteria such as the area or volume of each portion of the building, the initial estimated market value, or the extent of use of the shared facilities by unit owners. Any changes to the apportionment of expenses must be approved by the affected owners. The declaration must also identify the party responsible for collecting shared expenses and provide details on the rights and remedies available for enforcing payment.

Section 718.407(4), F.S., provides that the condominium association is entitled to inspect and copy the records related to the costs of maintaining shared facilities and to receive an annual budget.

Section 718.407(5), F.S., provides that each contract for the sale of a unit in such a condominium must include a conspicuous disclosure summary informing buyers that the condominium is part of a larger building or multiple parcel building with minimal common elements, that portions of the building not included in the condominium are governed by a separate recorded instrument, and that the association and unit owners are responsible for their share of maintenance expenses.

Section 718.407(6), F.S., provides that the creation of a multiple parcel building does not constitute a subdivision of the land upon which the building is situated, provided the land itself is not subdivided.

#### Division Authority – Sections 718.501 and 718.5011, F.S.

Section 718.501(1), F.S., has been amended to provide that, after turnover, the Division of Florida Condominiums, Timeshares, and Mobile Homes has jurisdiction to investigate complaints related to:

- Procedural aspects and records related to financial issues including annual reporting, assessments, fines, commingling of reserve and operating funds, use of debit cards for unintended purposes, budget and allocation of reserves, financial records, and any other record necessary to determine the revenues and expenses of the association.
- 2. Elections and recalls.
- 3. Maintenance of and access to association records.
- 4. The procedural aspects of unit owner and board meetings, quorums, voting requirements, proxies, and budget meetings.
- 5. Disclosure of conflicts of interest.
- 6. Removal of a board director or officer under applicable statutes.
- 7. Procedural completion of structural integrity reserve studies.
- 8. Written inquiries relating to such matters under the applicable statutes.

Section 718.501(1)(o), F.S., expands the jurisdiction of the Division to include new crimes created by the Florida Legislature and the related removal of a director or officer. The Division is required to refer to local law enforcement authorities any person the Division believes has engaged in fraud, theft, embezzlement, or other criminal activity or when the Division has reason to believe such criminal activity has occurred.

Section 718.501(1)(p), F.S., has been amended to provide that a Division director or any officer or employee of the Division, the condominium ombudsman or any employee of the Office of the Condominium Ombudsman, may attend and observe any meeting of the board or any unit owner meeting, including any committee meeting, which is open to members of the association for the purpose of performing the duties of the Division or the Office of the Condominium Ombudsman. The Division also has authority to request access to the association's website or application to investigate a complaint regarding access to official records on the association's website or application to a mobile device.

Section 718.5011, F.S., has been amended to provide that the Secretary of the Department of Business and Professional Regulation now has the authority to appoint the ombudsman, who serves at the pleasure of the Governor. In addition, the ombudsman is no longer required to be an attorney admitted to practice before the Florida Supreme Court.

#### Non-Developer Disclosures Prior to Sale – Section 718.503(2), F.S.

This Section has been updated to provide that, prior to the sale of a unit by a non-developer to a prospective purchaser, a copy of the most recent annual financial statement and annual budget must also be provided to the prospective purchaser (in addition to copies of the governing documents, milestone inspection summary, most recent SIRS, turnover inspection report if performed on or after July 1, 2023, and the FAQ's, as already required by the statute).

## COOPERATIVES UNDER CHAPTER 719, F.S.

## Structural Integrity Reserve Study (SIRS) – Section 719.106(1)(k)9 and 10, F.S.

Within 45 days after receiving the structural integrity reserve study (or "SIRS"), the association must distribute a copy of the study to each unit owner or deliver to each unit owner a notice that the completed study is available for inspection and copying upon written request. Distribution of a copy of the study or notice must be made by United

States mail; or by personal delivery to the mailing address, property address, or any other address of the unit owner provided to fulfill the association's notice requirements; or by electronic transmission to the email address or facsimile number provided to fulfill the association's notice requirements to unit owners who previously consented to receive notice by electronic transmission.

Within 45 days after receiving the study, the association must provide the Division of Florida Condominiums, Timeshares, and Mobile Homes, with a statement indicating that the study was completed, and that the association provided or made available such study to each unit owner. The statement must be provided to the Division in the manner established by the Division using a form posted on the Division's website.

# Electronic Voting – Section 719.129, F.S.

Whereas previously a unit owner had to consent to online voting in writing, unit owners may now consent electronically or in writing. Further, Section 719.129(4), F.S., has been amended to provide that if the board authorizes online voting, the board must honor a unit owner's request to vote electronically at all subsequent elections, unless such unit owner opts out of online voting.

## Transfer of Association Control – Section 719.301(4)(p), F.S.

This Section has been clarified to require that the turnover inspection report also consist of a structural integrity reserve study ("SIRS").

#### **CONCLUSION**

These significant changes to the law will impact community association managers as well as the operation of condominium associations and cooperatives in Florida. It is essential for associations to understand and implement these changes as mandated by law. As always, consulting with a legal professional is recommended for advice tailored to your specific circumstances.

We hope this update has been informative. Please stay tuned for further updates as we navigate the implementation of these legislative changes.

A note to the reader: This article is intended to provide general information and is not intended to be a substitute for competent legal advice. Competent legal counsel should be consulted if you have questions regarding compliance with the law.

To view past articles, please click "Publications" on our firm website. Mr. Pope is one of only two attorneys in Florida that is Board Certified by the Florida Bar in the three areas of Construction Law, Condominium and Planned Development Law, and Real Estate Law. He is a partner and an experienced construction and real estate attorney with the Pavese Law Firm, 1833 Hendry Street, Fort Myers, FL 33901; Telephone: (239) 334-2195.

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