



Community Association Bills (HB 73 and HB 7119) Signed by Governor- CALL Alert for June 14, 2013

HB 73, Relating to Residential Properties, by Representative Moraitis, and HB 7119, Relating to Homeowners' Associations, by Rep. LaRosa, were approved by Governor Rick Scott today. The effective date of both bills is July 1, 2013.

The following is a summary of the bills, which will have significant impacts on the operation of condominium, cooperative, and homeowners' associations.

[HB 73 \(Rep. Moraitis\), Relating to Residential Properties.](#) HB 73 includes a number of changes to the Condominium, Cooperative, and Homeowners' Association Act, including, but not limited to:

- (1) postpones Phase II Firefighters' Service upgrades on elevators until the elevator is replaced or requires major modification;
- (2) fixes insurance glitches by clarifying that the association's repair responsibility for items it insures is limited to insurable events;
- (3) imposes a sixty (60) day deadline for election challenges and certain recall challenges;
- (4) removes the requirement for a member vote in order for condominium board members to serve two-year terms;
- (5) allows owners to use electronic devices to copy official records and allows associations to print owner directories;
- (6) changes the thresholds for required financial statements. For example, the bill increases the audit threshold from \$400,000 to \$500,000 in annual revenues. The bill also decreases the threshold for a report of cash receipt and expenditures from 75 units to 50 units.
- (7) allows a condominium board to install code-compliant doors in the same manner as currently allowed for code-compliant windows;

(8) provides for a streamlined method for obtaining mortgagee consent for amendments for cooperative and homeowners' associations;

(9) revises the official records provisions in the Cooperative Act to more closely conform to the Condominium Act;

(10) imposes a board certification or education requirement for cooperative board members, as is currently required for condominium board members.

HB 7119 (Rep. LaRosa), Relating to Homeowners' Associations. HB 7119 significantly impacts the operation of homeowners' associations including, but not limited to, the following:

(1) provides that community association managers (CAMs) can be disciplined for violating any provision of chapters 718, 719, and 720;

(2) revises the official records provisions to more closely conform to the Condominium Act;

(3) allows associations to charge personnel costs if retrieving the official records exceeds one-half hour, if the personnel costs do not exceed \$20 per hour, and if the pages copied exceed 25 pages;

(4) reduces the copy charges for official records from .50 to .25 per page;

(5) requires every CAM, or the association when there is no CAM, to report to the Division by November 22, 2013, the name of the association, the FEIN number, the mailing and physical address, the number of parcels, and the total amount of revenues and expenses from the annual budget of the association;

(6) imposes a board certification or education requirement for HOA board members, as is currently required for condominium board members;

(7) provides for certain disclosures if the association enters into a contract or other transaction with any of its directors, and allows the contract or transaction to be canceled by a majority vote of the members present at the next regular or special meeting of the members;

(8) prohibits an officer, director or manager from soliciting or accepting anything of service of value for which consideration has not been provided from any person providing or proposing to provide goods or services to the association;

(9) provides for removal from board if a director or officer is charged with certain crimes;

(10) requires all associations to maintain insurance or a fidelity bond for all

persons who control or disburse funds of the association. However, such requirement may be waived annually by a majority of the voting interests present at a properly called meeting of the association;

(11) provides that within 30 days after recording an amendment to the governing documents, the association shall provide copies of the amendment to the members;

(12) clarifies that nominations from the floor are not required if the election process allows candidates to be nominated in advance of the meeting and further amends that section to provide that an election is not required unless more candidates are nominated than vacancies exist;

(13) provides new triggers for turnover of control of the association from the developer to the non-developer owners;

(14) permits members other than the developer to elect at least one member of the board when 50% of the parcels in all phases of the community which will ultimately be operated by the HOA have been conveyed to the members;

(15) limits the ability of the developer to make certain amendments to the declaration;

(16) provides that the term "previous owner" shall not include an association that acquires title to a delinquent property through foreclosure or by deed in lieu of foreclosure and provides that present parcel owner's liability for unpaid assessments is limited to any unpaid assessments that accrued before the association acquired title to the delinquent property through foreclosure or by deed in lieu of foreclosure.

Very truly yours,

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