

## Council Substitute for House Bill No. 1105

An act relating to community associations; amending s. 718.1124, F.S., and creating ss. 719.1124 and 720.3053, F.S.; providing for notification of a unit owner's or member's intent to petition for the appointment of a receiver if an association's governing board fails to fill vacancies sufficient to constitute a quorum; providing for written notice to unit owners or members of any such appointment; requiring the salary of the receiver and certain costs and fees to be paid by the association; providing powers, duties, and term of service of the receiver; amending s. 718.117, F.S., and creating ss. 718.127, 719.127, and 720.313, F.S.; specifying receivership notification requirements with respect to condominium associations, cooperative associations, and homeowners' associations; amending s. 718.121, F.S.; providing requirements and restrictions for liens filed by the association against a condominium unit; providing for notice and delivery thereof; amending s. 719.108, F.S.; prohibiting a lien from being filed against a condominium unit or cooperative parcel until 30 days after service of a notice of intent to file the lien; amending s. 720.305, F.S.; deleting notification requirements for the appointment of a receiver under specified circumstances for matters relating to homeowners' associations; providing an effective date.

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

Section 1. Section 718.1124, Florida Statutes, is amended to read:

718.1124 Failure to fill vacancies on board of administration sufficient to constitute a quorum; appointment of receiver upon petition of unit owner.—

(1) If an association fails to fill vacancies on the board of administration sufficient to constitute a quorum in accordance with the bylaws, any unit owner may give notice of his or her intent to apply to the circuit court within whose jurisdiction the condominium lies for the appointment of a receiver to manage the affairs of the association. The form of the notice shall be as follows:

NOTICE OF INTENT TO APPLY FOR RECEIVERSHIP

YOU ARE HEREBY NOTIFIED that the undersigned owner of a condominium unit in ...(name of condominium)... intends to file a petition in the circuit court for appointment of a receiver to manage the affairs of the association on the grounds that the association has failed to fill vacancies on the board of administration sufficient to constitute a quorum. This petition will not be filed if the vacancies are filled within 30 days after the date on which this notice was sent or posted, whichever is later. If a receiver is appointed, the receiver shall have all of the powers of the board and shall be entitled to receive a salary and reimbursement of all costs and attorney's fees payable from association funds.

...(name and address of petitioning unit owner)...

(2) The notice required by subsection (1) must be provided by At least 30 days prior to applying to the circuit court, the unit owner shall mail to the association by certified mail or personal delivery, must be posted and post in a conspicuous place on the condominium property, and must be provided to every unit owner of the association by certified mail or personal delivery. The a notice must be posted and mailed or delivered at least 30 days prior to the filing of a petition seeking receivership. Notice by mail to a unit owner shall be sent to the address used by the county property appraiser for notice to the unit owner describing the intended action, giving the association the opportunity to fill the vacancies.

(3) If during such time the association fails to fill the vacancies within 30 days after the notice required by subsection (1) is posted and mailed or delivered, the unit owner may proceed with the petition.

(4) If a receiver is appointed, all unit owners shall be given written notice of such appointment as provided in s. 718.127.

(5) The association shall be responsible for the salary of the receiver, court costs, and attorney's fees. The receiver shall have all powers and duties of a duly constituted board of administration and shall serve until the association fills vacancies on the board sufficient to constitute a quorum and the court relieves the receiver of the appointment.

Section 2. Paragraph (a) of subsection (7) of section 718.117, Florida Statutes, is amended to read:

718.117 Termination of condominium.—

(7) NATURAL DISASTERS.—

(a) If, after a natural disaster, the identity of the directors or their right to hold office is in doubt, if they are deceased or unable to act, if they fail or refuse to act, or if they cannot be located, any interested person may petition the circuit court to determine the identity of the directors or, if found to be in the best interests of the unit owners, to appoint a receiver to conclude the affairs of the association after a hearing following notice to such persons as the court directs. Lienholders shall be given notice of the petition and have the right to propose persons for the consideration by the court as receiver. If a receiver is appointed, the court shall direct the receiver to provide to all unit owners written notice of his or her appointment as receiver. Such notice shall be mailed or delivered within 10 days after the appointment. Notice by mail to a unit owner shall be sent to the address used by the county property appraiser for notice to the unit owner.

Section 3. Subsection (4) is added to section 718.121, Florida Statutes, to read:

718.121 Liens.—

(4) Except as otherwise provided in this chapter, no lien may be filed by the association against a condominium unit until 30 days after the date on

which a notice of intent to file a lien has been delivered to the owner by registered or certified mail, return receipt requested, and by first-class United States mail to the owner at his or her last address as reflected in the records of the association, if the address is within the United States, and delivered to the owner at the address of the unit if the owner's address as reflected in the records of the association is not the unit address. If the address reflected in the records is outside the United States, sending the notice to that address and to the unit address by first-class United States mail is sufficient. Delivery of the notice shall be deemed given upon mailing as required by this subsection.

Section 4. Section 718.127, Florida Statutes, is created to read:

718.127 Receivership notification.—Upon the appointment of a receiver by a court for any reason relating to a condominium association, the court shall direct the receiver to provide to all unit owners written notice of his or her appointment as receiver. Such notice shall be mailed or delivered within 10 days after the appointment. Notice by mail to a unit owner shall be sent to the address used by the county property appraiser for notice to the unit owner.

Section 5. Subsection (4) of section 719.108, Florida Statutes, is amended to read:

719.108 Rents and assessments; liability; lien and priority; interest; collection; cooperative ownership.—

(4) The association shall have a lien on each cooperative parcel for any unpaid rents and assessments, plus interest, against the unit owner of the cooperative parcel. If authorized by the cooperative documents, said lien shall also secure reasonable attorney's fees incurred by the association incident to the collection of the rents and assessments or enforcement of such lien. The lien is effective from and after the recording of a claim of lien in the public records in the county in which the cooperative parcel is located which states the description of the cooperative parcel, the name of the unit owner, the amount due, and the due dates. The lien shall expire if a claim of lien is not filed within 1 year after the date the assessment was due, and no such lien shall continue for a longer period than 1 year after the claim of lien has been recorded unless, within that time, an action to enforce the lien is commenced in a court of competent jurisdiction. No lien may be filed by the association against a cooperative parcel until 30 days after the date on which a notice of intent to file a lien has been served on the unit owner of the cooperative parcel by certified mail or by personal service in the manner authorized by chapter 48 and the Florida Rules of Civil Procedure.

Section 6. Section 719.1124, Florida Statutes, is created to read:

719.1124 Failure to fill vacancies on board of administration sufficient to constitute a quorum; appointment of receiver upon petition of unit owner.—

(1) If an association fails to fill vacancies on the board of administration sufficient to constitute a quorum in accordance with the bylaws, any unit

owner may give notice of his or her intent to apply to the circuit court within whose jurisdiction the cooperative lies for the appointment of a receiver to manage the affairs of the association. The form of the notice shall be as follows:

NOTICE OF INTENT TO APPLY FOR RECEIVERSHIP

YOU ARE HEREBY NOTIFIED that the undersigned owner of a unit in ...(name of cooperative)... intends to file a petition in the circuit court for appointment of a receiver to manage the affairs of the association on the grounds that the association has failed to fill vacancies on the board of administration sufficient to constitute a quorum. This petition will not be filed if the vacancies are filled within 30 days after the date on which this notice was sent or posted, whichever is later. If a receiver is appointed, the receiver shall have all of the powers of the board and shall be entitled to receive a salary and reimbursement of all costs and attorney's fees payable from association funds.

...(name and address of petitioning unit owner)...

(2) The notice required by subsection (1) must be provided by the unit owner to the association by certified mail or personal delivery, must be posted in a conspicuous place on the cooperative property, and must be provided to every unit owner of the association by certified mail or personal delivery. The notice must be posted and mailed or delivered at least 30 days prior to the filing of a petition seeking receivership. Notice by mail to a unit owner shall be sent to the address used by the county property appraiser for notice to the unit owner.

(3) If the association fails to fill the vacancies within 30 days after the notice required by subsection (1) is posted and mailed or delivered, the unit owner may proceed with the petition.

(4) If a receiver is appointed, all unit owners shall be given written notice of such appointment as provided in s. 719.127.

(5) The association shall be responsible for the salary of the receiver, court costs, and attorney's fees. The receiver shall have all powers and duties of a duly constituted board of administration and shall serve until the association fills vacancies on the board sufficient to constitute a quorum and the court relieves the receiver of the appointment.

Section 7. Section 719.127, Florida Statutes, is created to read:

719.127 Receivership notification.—Upon the appointment of a receiver by a court for any reason relating to a cooperative association, the court shall direct the receiver to provide to all unit owners written notice of his or her appointment as receiver. Such notice shall be mailed or delivered within 10 days after the appointment. Notice by mail to a unit owner shall be sent to the address used by the county property appraiser for notice to the unit owner.

Section 8. Subsection (4) of section 720.305, Florida Statutes, is amended to read:

720.305 Obligations of members; remedies at law or in equity; levy of fines and suspension of use rights; failure to fill sufficient number of vacancies on board of directors to constitute a quorum; appointment of receiver upon petition of any member.—

~~(4) If an association fails to fill vacancies on the board of directors sufficient to constitute a quorum in accordance with the bylaws, any member may apply to the circuit court that has jurisdiction over the community served by the association for the appointment of a receiver to manage the affairs of the association. At least 30 days before applying to the circuit court, the member shall mail to the association, by certified or registered mail, and post, in a conspicuous place on the property of the community served by the association, a notice describing the intended action, giving the association 30 days to fill the vacancies. If during such time the association fails to fill a sufficient number of vacancies so that a quorum can be assembled, the member may proceed with the petition. If a receiver is appointed, the homeowners' association shall be responsible for the salary of the receiver, court costs, attorney's fees, and all other expenses of the receivership. The receiver has all the powers and duties of a duly constituted board of directors and shall serve until the association fills a sufficient number of vacancies on the board so that a quorum can be assembled.~~

Section 9. Section 720.3053, Florida Statutes, is created to read:

720.3053 Failure to fill vacancies on board of directors sufficient to constitute a quorum; appointment of receiver upon petition of member.—

(1) If an association fails to fill vacancies on the board of directors sufficient to constitute a quorum in accordance with the bylaws, any member may give notice of the member's intent to apply to the circuit court within whose jurisdiction the association lies for the appointment of a receiver to manage the affairs of the association. The form of the notice shall be as follows:

NOTICE OF INTENT TO APPLY FOR RECEIVERSHIP

YOU ARE HEREBY NOTIFIED that the undersigned member of ...~~(name of homeowners' association)~~... intends to file a petition in the circuit court for appointment of a receiver to manage the affairs of the association on the grounds that the association has failed to fill vacancies on the board of directors sufficient to constitute a quorum. This petition will not be filed if the vacancies are filled within 30 days after the date on which this notice was sent or posted, whichever is later. If a receiver is appointed, the receiver shall have all of the powers of the board and shall be entitled to receive a salary and reimbursement of all costs and attorney's fees payable from association funds.

...~~(name and address of petitioning member)~~...

(2) The notice required by subsection (1) must be provided by the member to the association by certified mail or personal delivery, must be posted in a conspicuous place within the homeowners' association, and must be provided to every member of the association by certified mail or personal delivery. The notice must be posted and mailed or delivered at least 30 days prior

to the filing of a petition seeking receivership. Notice by mail to a member shall be sent to the address used by the county property appraiser for notice to the member.

(3) If the association fails to fill the vacancies within 30 days after the notice required by subsection (1) is posted and mailed or delivered, the member may proceed with the petition.

(4) If a receiver is appointed, all members shall be given written notice of such appointment as provided in s. 720.313.

(5) The association shall be responsible for the salary of the receiver, court costs, and attorney's fees. The receiver shall have all powers and duties of a duly constituted board of directors and shall serve until the association fills vacancies on the board sufficient to constitute a quorum and the court relieves the receiver of the appointment.

Section 10. Section 720.313, Florida Statutes, is created to read:

720.313 Receivership notification.—Upon the appointment of a receiver by a court for any reason relating to a homeowners' association, the court shall direct the receiver to provide to all members written notice of his or her appointment as receiver. Such notice shall be mailed or delivered within 10 days after the appointment. Notice by mail to a member shall be sent to the address used by the county property appraiser for notice to the owner of the property.

Section 11. This act shall take effect July 1, 2008.

Approved by the Governor June 17, 2008.

Filed in Office Secretary of State June 17, 2008.