CHAPTER 2015-90

Committee Substitute for Committee Substitute for House Bill No. 307

An act relating to mobile homes; amending s. 73.072, F.S.; conforming a cross-reference; amending s. 723.003, F.S.; providing definitions; amending s. 723.006, F.S.; requiring the Division of Florida Condominiums. Timeshares, and Mobile Homes to approve training and educational programs for board members of mobile home owners' associations; providing duties of the division; providing requirements for education curriculum information for board member and mobile home owner training; amending s. 723.023, F.S.; revising mobile home owner's general obligations; amending s. 723.031, F.S.; conforming a cross-reference; amending s. 723.037, F.S.; providing and revising requirements for lot rental increases; amending s. 723.059, F.S.; revising provisions relating to rights of purchasers of lifetime leases; amending s. 723.0611, F.S.; providing for the removal of a member of the board of directors under certain conditions; amending s. 723.078, F.S.; revising provisions with respect to the bylaws of homeowners' associations; revising quorum and voting requirements; revising provisions relating to board of directors, committee, and member meetings; providing requirements for meeting minutes; revising requirements for the amendment of articles of incorporation and bylaws; revising requirements for the recall of board members; creating s. 723.1255, F.S.; providing requirements for the alternative resolution of recall disputes; creating s. 723.0781, F.S.; specifying certification or educational requirements for a newly elected or appointed board member; amending s. 723.079, F.S.; revising and providing requirements relating to the official records of the association; providing an effective date.

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

Section 1. Subsection (1) of section 73.072, Florida Statutes, is amended to read:

73.072 Mobile home parks; compensation for permanent improvements by mobile home owners.—

(1) When all or a portion of a mobile home park as defined in s. <u>723.003</u> 723.003(6) is appropriated under this chapter, the condemning authority shall separately determine the compensation for any permanent improvements made to each site. This compensation shall be awarded to the mobile home owner leasing the site if:

(a) The effect of the taking includes a requirement that the mobile home owner remove or relocate his or her mobile home from the site;

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(b) The mobile home owner currently leasing the site has paid for the permanent improvements to the site; and

(c) The value of the permanent improvements on the site exceeds \$1,000 as of the date of taking.

Section 2. Section 723.003, Florida Statutes, is amended to read:

723.003 Definitions.—As used in this chapter, the <u>term following words</u> and terms have the following meanings unless clearly indicated otherwise:

(1)(14) The term "Discrimination" or "discriminatory" means that a homeowner is being treated differently as to the rent charged, the services rendered, or an action for possession or other civil action being taken by the park owner, without a reasonable basis for the different treatment.

(2)(1) The term "Division" means the Division of Florida Condominiums, Timeshares, and Mobile Homes of the Department of Business and Professional Regulation.

(3) "Electronic transmission" means a form of communication, not directly involving the physical transmission or transfer of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient and that may be directly reproduced in a comprehensible and legible paper form by the recipient through an automated process, such as a printer or copy machine. Examples of electronic transmission include, but are not limited to, telegrams, facsimile transmission of images, and text that is sent via e-mail between computers. Electronic transmission does not include oral communication by telephone.

(4) "Homeowners' association" means a corporation for profit or not for profit, which is formed and operates in compliance with ss. 723.075-723.079; or, in a subdivision the homeowners' association authorized in the subdivision documents in which all home owners must be members as a condition of ownership.

(5) "Homeowners' committee" means a committee, not to exceed five persons in number, designated by a majority of the affected homeowners in a mobile home park or a subdivision; or, if a homeowners' association has been formed, designated by the board of directors of the association. The homeowners' committee is designated for the purpose of meeting with the park owner or park developer to discuss lot rental increases, reduction in services or utilities, or changes in rules and regulations and any other matter authorized by the homeowners' association, or the majority of the affected home owners, and who are authorized to enter into a binding agreement with the park owner or subdivision developer, or a binding mediation agreement, on behalf of the association, its members, and all other mobile home owners in the mobile home park.

(6)(2) The term "Lot rental amount" means all financial obligations, except user fees, which are required as a condition of the tenancy.

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(7)(a) "Mediation" means a process whereby a mediator appointed by the Division of Florida Condominiums, Timeshares, and Mobile Homes, or mutually selected by the parties, acts to encourage and facilitate the resolution of a dispute. It is an informal and nonadversarial process with the objective of helping the disputing parties reach a mutually acceptable agreement.

(b) For purposes of mediation under ss. 723.037 and 723.038, the term "parties" means a park owner as defined in subsection (13) and a homeowners' committee selected pursuant to s. 723.037.

(8)(3) The term "Mobile home" means a residential structure, transportable in one or more sections, which is 8 body feet or more in width, over 35 body feet in length with the hitch, built on an integral chassis, designed to be used as a dwelling when connected to the required utilities, and not originally sold as a recreational vehicle, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

(9) "Mobile home lot" means a lot described by a park owner pursuant to the requirements of s 723.012, or in a disclosure statement pursuant to s. 723.013, as a lot intended for the placement of a mobile home.

(10)(4) The term "Mobile home lot rental agreement" or "rental agreement" means any mutual understanding or lease, whether oral or written, between a mobile home owner and a mobile home park owner in which the mobile home owner is entitled to place his or her mobile home on a mobile home lot for either direct or indirect remuneration of the mobile home park owner.

(11)(5) The term "Mobile home owner," <u>"mobile homeowner,</u>" or "home owner," <u>or "homeowner</u>" means a person who owns a mobile home and rents or leases a lot within a mobile home park for residential use.

 $(\underline{12})(6)$ The term "Mobile home park" or "park" means a use of land in which lots or spaces are offered for rent or lease for the placement of mobile homes and in which the primary use of the park is residential.

(13)(7) The term "Mobile home park owner" or "park owner" means an owner or operator of a mobile home park.

 $(\underline{14})(8)$ The term "Mobile home subdivision" means a subdivision of mobile homes where individual lots are owned by owners and where a portion of the subdivision or the amenities exclusively serving the subdivision are retained by the subdivision developer.

(15) "Offering circular" has the same meaning as the term "prospectus" as it is used in this chapter.

<u>(16)(9)</u> The term "Operator of a mobile home park" means either a person who establishes a mobile home park on land <u>that</u> which is leased from another person or a person who has been delegated the authority to act as the

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park owner in matters relating to the administration and management of the mobile home park, including, but not limited to, authority to make decisions relating to the mobile home park.

 $(\underline{17})(\underline{10})$ The term "Pass-through charge" means the mobile home owner's proportionate share of the necessary and actual direct costs and impact or hookup fees for a governmentally mandated capital improvement, which may include the necessary and actual direct costs and impact or hookup fees incurred for capital improvements required for public or private regulated utilities.

 $(\underline{18})(\underline{11})$ The term "Proportionate share" as used in subsection $(\underline{17})$ (10) means an amount calculated by dividing equally among the affected developed lots in the park the total costs for the necessary and actual direct costs and impact or hookup fees incurred for governmentally mandated capital improvements serving the recreational and common areas and all affected developed lots in the park.

 $(\underline{19})(\underline{15})$ The term "Resale agreement" means a contract in which a mobile home owner authorizes the mobile home park owner, or the park owner's designee, to act as exclusive agent for the sale of the homeowner's mobile home for a commission or fee.

(20)(12) The term "Unreasonable" means arbitrary, capricious, or inconsistent with this chapter.

(21)(13) The term "User fees" means those amounts charged in addition to the lot rental amount for nonessential optional services provided by or through the park owner to the mobile home owner under a separate written agreement between the mobile home owner and the person furnishing the optional service or services.

Section 3. Subsections (12), (13), and (14) are added to section 723.006, Florida Statutes, to read:

723.006 Powers and duties of division.—In performing its duties, the division has the following powers and duties:

(12) The division shall approve training and educational programs for board members of mobile home owners' associations formed and operated pursuant to s. 723.075(1) and mobile home owners. The training may, at the division's discretion, include web-based electronic media and live training and seminars in various locations throughout the state.

(13) The division may review and approve educational curriculums and training programs for board members and mobile home owners to be offered by providers and shall maintain a current list of approved programs and providers, and make such lists available to board members in a reasonable and cost-effective manner. The cost of such programs shall be borne by the providers of the programs. The division shall establish a fee structure for the

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approved training programs sufficient to recover any cost incurred by the division in operating this program.

(14) Required education curriculum information for board member and mobile home owner training shall include:

(a) The provider of the training programs, which shall include the following information regarding its training and educational programs:

1. A price list, if any, for the programs and copies of all materials.

2. The physical location where programs will be available, if not webbased.

3. Dates when programs will be offered.

4. The curriculum of the program to be offered.

(b) The programs shall provide information about statutory and regulatory matters relating to the board of directors of the homeowners' association and their responsibilities to the association and to the mobile home owners in the mobile home park.

(c) Programs and materials may not contain editorial comments.

(d) The division has the right to approve and require changes to such education and training programs.

Section 4. Section 723.023, Florida Statutes, is amended to read:

723.023 Mobile home owner's general obligations.—A mobile home owner shall at all times:

(1) Comply with all obligations imposed on mobile home owners by applicable provisions of building, housing, and health codes, including compliance with all building permits and construction requirements for construction on the mobile home and lot. The home owner is responsible for all fines imposed by the local government for noncompliance with any local codes.

(2) Keep the mobile home lot which he or she occupies clean, <u>neat</u>, and <u>sanitary</u>, <u>and maintained in compliance with all local codes</u>.

(3) Comply with properly promulgated park rules and regulations and require other persons on the premises with his or her consent to comply with such rules therewith and to conduct themselves, and other persons on the premises with his or her consent, in a manner that does not unreasonably disturb other residents of the park or constitute a breach of the peace.

Section 5. Paragraph (b) of subsection (5) of section 723.031, Florida Statutes, is amended to read:

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723.031 Mobile home lot rental agreements.—

(5) The rental agreement shall contain the lot rental amount and services included. An increase in lot rental amount upon expiration of the term of the lot rental agreement shall be in accordance with ss. 723.033 and 723.037 or s. 723.059(4), whichever is applicable, provided that, pursuant to s. 723.059(4), the amount of the lot rental increase is disclosed and agreed to by the purchaser, in writing. An increase in lot rental amount shall not be arbitrary or discriminatory between similarly situated tenants in the park. No lot rental amount may be increased during the term of the lot rental agreement, except:

(b) For pass-through charges as defined in s. $\underline{723.003} \ \underline{723.003(10)}$.

Section 6. Subsection (1) and paragraph (a) of subsection (4) of section 723.037, Florida Statutes, are amended, and subsection (7) is added to that section, to read:

723.037 Lot rental increases; reduction in services or utilities; change in rules and regulations; mediation.—

(1) A park owner shall give written notice to each affected mobile home owner and the board of directors of the homeowners' association, if one has been formed, at least 90 days before prior to any increase in lot rental amount or reduction in services or utilities provided by the park owner or change in rules and regulations. The notice shall identify all other affected homeowners, which may be by lot number, name, group, or phase. If the affected homeowners are not identified by name, the park owner shall make the names and addresses available upon request. The home owner's right to the 90-day notice may not be waived or precluded by a home owner, or the homeowners' committee, in an agreement with the park owner. Rules adopted as a result of restrictions imposed by governmental entities and required to protect the public health, safety, and welfare may be enforced prior to the expiration of the 90-day period but are not otherwise exempt from the requirements of this chapter. Pass-through charges must be separately listed as to the amount of the charge, the name of the governmental entity mandating the capital improvement, and the nature or type of the passthrough charge being levied. Notices of increase in the lot rental amount due to a pass-through charge shall state the additional payment and starting and ending dates of each pass-through charge. The homeowners' association shall have no standing to challenge the increase in lot rental amount, reduction in services or utilities, or change of rules and regulations unless a majority of the affected homeowners agree, in writing, to such representation.

(4)(a) A committee, not to exceed five in number, designated by a majority of the affected mobile home owners or by the board of directors of the homeowners' association, if applicable, and the park owner shall meet, at a mutually convenient time and place <u>no later than 60 days before the effective</u> <u>date of the change</u> within 30 days after receipt by the homeowners of the notice of change, to discuss the reasons for the increase in lot rental amount,

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reduction in services or utilities, or change in rules and regulations. <u>The</u> negotiating committee shall make a written request for a meeting with the park owner or subdivision developer to discuss those matters addressed in the 90-day notice, and may include in the request a listing of any other issue, with supporting documentation, that the committee intends to raise and discuss at the meeting.

This subsection is not intended to be enforced by civil or administrative action. Rather, the meetings and discussions are intended to be in the nature of settlement discussions prior to the parties proceeding to mediation of any dispute.

(7) The term "parties," for purposes of mediation under this section and s. 723.038, means a park owner and a homeowners' committee selected pursuant to this section.

Section 7. Subsection (5) of section 723.059, Florida Statutes, is amended to read:

723.059 Rights of purchaser.—

(5) Lifetime leases and the renewal provisions in automatically renewable leases, both those existing and those entered into after July 1, 1986, <u>are</u> <u>not assumable</u> shall be nonassumable unless otherwise provided in the <u>mobile home</u> lot rental agreement or unless the transferee is the home owner's spouse. <u>The right to an assumption of the lease by a spouse may be</u> <u>exercised only one time during the term of that lease</u>. The renewal provisions in automatically renewable leases, both those existing and those entered into after July 1, 1986, are not assumable unless otherwise provided in the lease agreement.

Section 8. Subsection (1) of section 723.0611, Florida Statutes, is amended to read:

723.0611 Florida Mobile Home Relocation Corporation.—

(1)(a) There is created the Florida Mobile Home Relocation Corporation. The corporation shall be administered by a board of directors made up of six members, three of whom shall be appointed by the Secretary of Business and Professional Regulation from a list of nominees submitted by the largest nonprofit association representing mobile home owners in this state, and three of whom shall be appointed by the Secretary of Business and Professional Regulation from a list of nominees submitted by the largest nonprofit association representing the manufactured by the largest nonprofit association representing the manufactured housing industry in this state. All members of the board of directors, including the chair, shall be appointed to serve for staggered 3-year terms.

(b) A member of the board of directors shall be removed from the board by the Secretary of Business and Professional Regulation, with or without cause, immediately after the written request for removal from the association in paragraph (a) that originally nominated that board member. The

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nominating entity must include nominees for replacement with the request for removal and the secretary must immediately fill the vacancy created by the removal. The removal process may not occur more than once in a calendar year.

Section 9. Section 723.078, Florida Statutes, is amended to read:

723.078 Bylaws of homeowners' associations.—In order for a homeowners' association to exercise the rights provided in s. 723.071, the bylaws of the association shall provide for the following:

 $(1) \quad$ The directors of the association and the operation shall be governed by the bylaws.

(2) The bylaws shall provide and, if they do not, shall be deemed to include, the following provisions:

(a) <u>Administration.</u> The form of administration of the association shall be described, providing for the titles of the officers and for a board of directors and specifying the powers, duties, manner of selection and removal, and compensation, if any, of officers and board members. Unless otherwise provided in the bylaws, the board of directors shall be composed of five members. The board of directors shall <u>elect</u> have a president, secretary, and treasurer who shall perform the duties of those offices customarily performed by officers of corporations, and these officers shall serve without compensation and at the pleasure of the board of directors. The board of directors may <u>elect</u> appoint and designate other officers and grant them those duties it deems appropriate.

(b) <u>Quorum; voting requirements; proxies.</u>

1. Unless otherwise provided in the bylaws, 30 percent of the total membership is required to constitute a quorum. A majority of the members shall constitute a quorum. Decisions shall be made by a majority of members represented at a meeting at which a quorum is present. In addition, provision shall be made in the bylaws for definition and use of proxy. Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than 120 days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the member executing it.

2. A member may not vote by general proxy but may vote by limited proxies substantially conforming to a limited proxy form adopted by the division. Limited proxies and general proxies may be used to establish a quorum. Limited proxies may be used for votes taken to amend the articles of incorporation or bylaws pursuant to this section, and any other matters for which this chapter requires or permits a vote of members, except that no proxy, limited or general, may be used in the election of board members.

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Notwithstanding the provisions of this section, members may vote in person at member meetings.

3. A proxy is effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than 90 days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the member executing it.

4. A member of the board of directors or a committee may submit in writing his or her agreement or disagreement with any action taken at a meeting that the member did not attend. This agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.

(c) <u>Board of directors' and committee meetings.</u>

1. Meetings of the board of directors and meetings of its committees at which a quorum is present shall be open to all members. Notwithstanding any other provision of law, the requirement that board meetings and committee meetings be open to the members does not apply to board or committee meetings held for the purpose of discussing personnel matters or meetings between the board or a committee and the association's attorney, with respect to potential or pending litigation, where the meeting is held for the purpose of seeking or rendering legal advice, and where the contents of the discussion would otherwise be governed by the attorney-client privilege., and Notice of meetings shall be posted in a conspicuous place upon the park property at least 48 hours in advance, except in an emergency. Notice of any meeting in which assessments against members are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of such assessments.

2. A board or committee member's participation in a meeting via telephone, real-time videoconferencing, or similar real-time telephonic, electronic, or video communication counts toward a quorum, and such member may vote as if physically present. A speaker shall be used so that the conversation of those board or committee members attending by telephone may be heard by the board or committee members attending in person, as well as by members present at a meeting.

3. Members of the board of directors may use e-mail as a means of communication but may not cast a vote on an association matter via e-mail.

4. The right to attend meetings of the board of directors and its committees includes the right to speak at such meetings with reference to all designated agenda items. The association may adopt reasonable written rules governing the frequency, duration, and manner of members' statements. Any item not included on the notice may be taken up on an emergency basis by at least a majority plus one of the members of the board. Such emergency action shall be noticed and ratified at the next regular meeting of

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the board. Any member may tape record or videotape meetings of the board of directors and its committees. The division shall adopt reasonable rules governing the tape recording and videotaping of the meeting.

5. Except as provided in s. 723.078(2)(i), a vacancy occurring on the board of directors may be filled by the affirmative vote of the majority of the remaining directors, even though the remaining directors constitute less than a quorum; by the sole remaining director; if the vacancy is not so filled or if no director remains, by the members; or, on the application of any person, by the circuit court of the county in which the registered office of the corporation is located.

6. The term of a director elected or appointed to fill a vacancy expires at the next annual meeting at which directors are elected. A directorship to be filled by reason of an increase in the number of directors may be filled by the board of directors, but only for the term of office continuing until the next election of directors by the members.

7. A vacancy that will occur at a specific later date, by reason of a resignation effective at a later date, may be filled before the vacancy occurs. However, the new director may not take office until the vacancy occurs.

8.a. The officers and directors of the association have a fiduciary relationship to the members.

b. A director and committee member shall discharge his or her duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner he or she reasonably believes to be in the best interests of the corporation.

9. In discharging his or her duties, a director may rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

a. One or more officers or employees of the corporation who the director reasonably believes to be reliable and competent in the matters presented;

b. Legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the persons' professional or expert competence; or

c. A committee of the board of directors of which he or she is not a member if the director reasonably believes the committee merits confidence.

10. A director is not acting in good faith if he or she has knowledge concerning the matter in question that makes reliance otherwise permitted by subparagraph 9. unwarranted.

<u>11.</u> A director is not liable for any action taken as a director, or any failure to take any action, if he or she performed the duties of his or her office in compliance with this section.

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(d) <u>Member meetings.</u>

1. Members shall meet at least once each calendar year, and the meeting shall be the annual meeting. All members of the board of directors shall be elected at the annual meeting unless the bylaws provide for staggered election terms or for their election at another meeting. The bylaws shall not restrict any member desiring to be a candidate for board membership from being nominated from the floor. All nominations from the floor must be made at a duly noticed meeting of the members held at least 30 days before the annual meeting. The bylaws shall provide the method for calling the meetings of the members, including annual meetings. The method shall provide at least 14 days' written notice to each member in advance of the meeting and require the posting in a conspicuous place on the park property of a notice of the meeting at least 14 days prior to the meeting. The right to receive written notice of membership meetings may be waived in writing by a member. Unless waived, the notice of the annual meeting shall be mailed, hand delivered, or electronically transmitted sent by mail to each member, and shall constitute the mailing constitutes notice. An officer of the association shall provide an affidavit affirming that the notices were mailed or hand delivered in accordance with the provisions of this section to each member at the address last furnished to the corporation. These meeting requirements do not prevent members from waiving notice of meetings or from acting by written agreement without meetings, if allowed by the bylaws.

(e) <u>Minutes of meetings.</u>

1. Minutes of all meetings of members of an association, the board of directors, and a committee must be maintained in written form and approved by the members, board, or committee, as applicable. A vote or abstention from voting on each matter voted upon for each director present at a board meeting must be recorded in the minutes.

2. All approved minutes of all meetings of members, committees, and of the board of directors shall be kept in a businesslike manner and shall be available for inspection by members, or their authorized representatives, and board members at reasonable times. The association shall retain these minutes for a period of at least not less than 7 years.

(f) <u>Manner of sharing assessments.</u> The share or percentage of, and manner of sharing, assessments and expenses for each member shall be stated.

(g) <u>Annual budget.</u>If the bylaws provide for adoption of an annual budget by the members, the board of directors shall mail a meeting notice and copies of the proposed annual budget of expenses to the members <u>at least</u> not less than 30 days <u>before</u> prior to the meeting at which the budget will be considered. If the bylaws provide that the budget may be adopted by the board of directors, the members shall be given written notice of the time and place at which the meeting of the board of directors to consider the budget

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will be held. The meeting shall be open to the members. If the bylaws do not provide for adoption of an annual budget, this paragraph shall not apply.

(h) Amendment of articles of incorporation and bylaws.—

<u>1</u>. The method by which the <u>articles of incorporation and</u> bylaws may be amended consistent with the provisions of this chapter shall be stated. If the bylaws fail to provide a method of amendment, the bylaws may be amended by the board of directors and approved by a majority <u>of members at a meeting at which a quorum is present of the membership</u>. No bylaw shall be revised or amended by reference to its title or number only.

2. Notwithstanding any other provision of this section, if an amendment to the articles of incorporation or the bylaws is required by any action of any federal, state, or local governmental authority or agency, or any law, ordinance, or rule thereof, the board of directors may, by a majority vote of the board, at a duly noticed meeting of the board, amend the articles of incorporation or bylaws without a vote of the membership.

(i) The officers and directors of the association have a fiduciary relationship to the members.

(j) <u>Recall of board members.</u>—Any member of the board of directors may be recalled and removed from office with or without cause by the vote of or agreement in writing by a majority of all members. A special meeting of the members to recall a member or members of the board of directors may be called by 10 percent of the members giving notice of the meeting as required for a meeting of members, and the notice shall state the purpose of the meeting. <u>Electronic transmission may not be used as a method of giving notice of a meeting called in whole or in part for this purpose.</u>

1. If the recall is approved by a majority of all members by a vote at a meeting, the recall is effective as provided in this paragraph. The board shall duly notice and hold a board meeting within 5 full business days after the adjournment of the member meeting to recall one or more board members. At the meeting, the board shall either certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the board within 5 full business days any and all records and property of the association in their possession, or shall proceed under subparagraph 3.

2. If the proposed recall is by an agreement in writing by a majority of all members, the agreement in writing or a copy thereof shall be served on the association by certified mail or by personal service in the manner authorized by chapter 48 and the Florida Rules of Civil Procedure. The board of directors shall duly notice and hold a meeting of the board within 5 full business days after receipt of the agreement in writing. At the meeting, the board shall either certify the written agreement to recall members of the board, in which case such members shall be recalled effective immediately and shall turn over to the board, within 5 full business days, any and all records and

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property of the association in their possession, or shall proceed as described in subparagraph 3.

3. If the board determines not to certify the written agreement to recall members of the board, or does not certify the recall by a vote at a meeting, the board shall, within 5 full business days after the board meeting, file with the division a petition for binding arbitration pursuant to the procedures of s. 723.1255. For purposes of this paragraph, the members who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall of a member of the board, the recall shall be effective upon mailing of the final order of arbitrator, the division may take action under s. 723.006. A member so recalled shall deliver to the board any and all records and property of the association in the member's possession within 5 full business days after the effective date of the recall.

4. If the board fails to duly notice and hold a board meeting within 5 full business days after service of an agreement in writing or within 5 full business days after the adjournment of the members' recall meeting, the recall shall be deemed effective and the board members so recalled shall immediately turn over to the board all records and property of the association.

5. If the board fails to duly notice and hold the required meeting or fails to file the required petition, the member's representative may file a petition pursuant to s. 723.1255 challenging the board's failure to act. The petition must be filed within 60 days after expiration of the applicable 5-full-business-day period. The review of a petition under this subparagraph is limited to the sufficiency of service on the board and the facial validity of the written agreement or ballots filed.

6. If a vacancy occurs on the board as a result of a recall and less than a majority of the board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, notwithstanding any other provision of this chapter. If vacancies occur on the board as a result of a recall and a majority or more of the board members are removed, the vacancies shall be filled in accordance with procedural rules to be adopted by the division, which rules need not be consistent with this chapter. The rules must provide procedures governing the conduct of the recall election as well as the operation of the association during the period after a recall but before the recall election.

7. A board member who has been recalled may file a petition pursuant to s. 723.1255 challenging the validity of the recall. The petition must be filed within 60 days after the recall is deemed certified. The association and the member's representative shall be named as the respondents.

8. The division may not accept for filing a recall petition, whether or not filed pursuant to this subsection, and regardless of whether the recall was

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certified, when there are 60 or fewer days until the scheduled reelection of the board member sought to be recalled or when 60 or fewer days have not elapsed since the election of the board member sought to be recalled.

(3) The bylaws may provide the following:

(a) A method of adopting and of amending administrative rules and regulations governing the details of the operation and use of the park property.

(b) Restrictions on, and requirements respecting, the use and maintenance of mobile homes located within the park, and the use of the park property, which restrictions and requirements are not inconsistent with the articles of incorporation.

(c) Other provisions not inconsistent with this chapter or with other documents governing the park property or mobile homes located therein.

(d) The board of directors may, in any event, propose a budget to the members at a meeting of members or in writing, and, if the budget or proposed budget is approved by the members at the meeting or by a majority of their whole number in writing, that budget shall be adopted.

(e) The manner of collecting from the members their shares of the expenses for maintenance of the park property shall be stated. Assessments shall be made against members not less frequently than quarterly, in amounts no less than are required to provide funds in advance for payments of all of the anticipated current operating expenses and for all of the unpaid operating expense previously incurred.

(4) No amendment may change the proportion or percentage by which members share in the assessments and expenses as initially established unless all the members affected by such change approve the amendment.

(5) Upon purchase of the mobile home park, the association organized under this chapter may convert to a condominium, cooperative, or subdivision. The directors shall have the authority to amend and restate the articles of incorporation and bylaws in order to comply with the requirements of chapter 718, chapter 719, or other applicable sections of the Florida Statutes.

(6) Notwithstanding the provisions of s. 723.075(1), upon purchase of the park by the association, and conversion of the association to a condominium, cooperative, or subdivision, the mobile home owners who were members of the association prior to the conversion and who no longer meet the requirements for membership, as established by the amended or restated articles of incorporation and bylaws, shall no longer be members of the converted association. Mobile home owners, as defined in this chapter, who no longer are eligible for membership in the converted association may form an association pursuant to s. 723.075.

Section 10. Section 723.1255, Florida Statutes, is created to read:

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723.1255 Alternative resolution of recall disputes.—The Division of Florida Condominiums, Timeshares, and Mobile Homes of the Department of Business and Professional Regulation shall adopt rules of procedure to govern binding recall arbitration proceedings.

Section 11. Section 723.0781, Florida Statutes, is created to read:

723.0781 Board member training programs.—Within 90 days after being elected or appointed to the board, a newly elected or appointed director shall certify by an affidavit in writing to the secretary of the association that he or she has read the association's current articles of incorporation, bylaws, and the mobile home park's prospectus, rental agreement, rules, regulations, and written 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. In lieu of this written certification, within 90 days after being elected or appointed to the board, the newly elected or appointed director may submit a certificate of having satisfactorily completed the educational curriculum approved by the division within 1 year before or 90 days after the date of election or appointment. The educational certificate is valid and does not have to be resubmitted as long as the director serves on the board without interruption. A director who fails to timely file the written certification or educational certificate is suspended from service on the board until he or she complies with this section. The board may temporarily fill the vacancy during the period of suspension. The secretary of the association shall retain a director's written certification or educational certificate for inspection by the members for 5 years after the director's election or the duration of the director's uninterrupted tenure, whichever is longer. Failure to have such written certification or educational certificate on file does not affect the validity of any board action.

Section 12. Section 723.079, Florida Statutes, is amended to read:

723.079 Powers and duties of homeowners' association.-

(1) An association may contract, sue, or be sued with respect to the exercise or nonexercise of its powers. For these purposes, the powers of the association include, but are not limited to, the maintenance, management, and operation of the park property.

(2) The powers and duties of an association include those set forth in this section and ss. 723.075 and 723.077 and those set forth in the articles of incorporation and bylaws and any recorded declarations or restrictions encumbering the park property, if not inconsistent with this chapter.

(3) An association has the power to make, levy, and collect assessments and to lease, maintain, repair, and replace the common areas upon purchase of the mobile home park.

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(4) <u>The association shall maintain the following items, when applicable,</u> which constitute the official records of the association:

(a) A copy of the association's articles of incorporation and each amendment to the articles of incorporation.

(b) A copy of the bylaws of the association and each amendment to the bylaws.

(c) A copy of the written rules or policies of the association and each amendment to the written rules or policies.

(d) The approved minutes of all meetings of the members, the board of directors, and committees of the board, which minutes must be retained within the state for at least 7 years.

(e) A current roster of all members and their mailing addresses and lot identifications. The association shall also maintain the e-mail addresses and the numbers designated by members for receiving notice sent by electronic transmission of those members consenting to receive notice by electronic transmission. The e-mail addresses and numbers provided by members to receive notice by electronic transmission shall be removed from association records when consent to receive notice by electronic transmission is revoked. However, the association is not liable for an erroneous disclosure of the email address or the number for receiving electronic transmission of notices.

(f) All of the association's insurance policies or copies thereof, which must be retained for at least 7 years.

(g) A copy of all contracts or agreements to which the association is a party, including, without limitation, any written agreements with the park owner, lease, or other agreements or contracts under which the association or its members has any obligation or responsibility, which must be retained for at least 7 years.

(h) 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:

1. Accurate, itemized, and detailed records of all receipts and expenditures.

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 dues or 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.

<u>3. All tax returns, financial statements, and financial reports of the association.</u>

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4. Any other records that identify, measure, record, or communicate financial information.

(i) All other written records of the association not specifically included in the foregoing which are related to the operation of the association.

(5) The official records shall be maintained within the state for at least 7 years and shall be made available to a member for inspection or photocopying within 10 business days after receipt by the board or its designee of a written request submitted by certified mail, return receipt requested. The requirements of this subsection are satisfied by having a copy of the official records available for inspection or copying in the park or, at the option of the association, by making the records available to a member electronically via the 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 a member with copies on request during the inspection if the entire request is 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 \$10 per calendar day up to 10 days, the calculation to begin on the 11th business day after receipt of the written request, submitted by certified mail, return receipt requested.

(c) The association may adopt reasonable written rules governing the frequency, time, location, notice, records to be inspected, and manner of inspections, but may not require a member to demonstrate a proper purpose for the inspection, state a reason for the inspection, or limit a member's right to inspect records to less than 1 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 for personnel to retrieve and copy the records if the time spent retrieving and copying the records exceeds 30 minutes 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

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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. Notwithstanding this paragraph, the following records are not accessible to members or home owners:

1. A record protected by the lawyer-client privilege as described in s. 90.502 and a 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, for adversarial administrative proceedings, or in anticipation of such litigation or proceedings until the conclusion of the litigation or proceedings.

2. E-mail addresses, telephone numbers, facsimile numbers, emergency contact information, any addresses for a home owner other than as provided for association notice requirements, and other personal identifying information of any person, excluding the person's name, lot designation, mailing address, and property address. Notwithstanding the restrictions in this subparagraph, an association may print and distribute to home owners a directory containing the name, park address, and telephone number of each home owner. However, a home owner may exclude his or her telephone number from the directory by so requesting in writing to the association. 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 a home owner and not requested by the association.

<u>3. A electronic security measure that is used by the association to safeguard data, including passwords.</u>

4. The software and operating system used by the association which allows the manipulation of data, even if the home owner owns a copy of the same software used by the association. The data is part of the official records of the association.

(6) An outgoing board or committee member must relinquish all official records and property of the association in his or her possession or under his or her control to the incoming board within 5 days after the election or removal. An association shall maintain accounting records in the county where the property is located, according to good accounting practices. The records shall be open to inspection by association members or their authorized representatives at reasonable times, and written summaries of such records shall be supplied at least annually to such members or their authorized representatives. The failure of the association to permit inspection of its accounting records by members or their authorized representatives entitles any person

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prevailing in an enforcement action to recover reasonable attorney's fees from the person in control of the books and records who, directly or indirectly, knowingly denied access to the books and records for inspection. The records shall include, but shall not be limited to:

(a) A record of all receipts and expenditures.

(b) An account for each member, designating the name and current mailing address of the member, the amount of each assessment, the dates on which and amounts in which the assessments come due, the amount paid upon the account, and the balance due.

(7)(5) An association has the power to purchase lots in the park and to acquire, hold, lease, mortgage, and convey them.

(8)(6) An association shall use its best efforts to obtain and maintain adequate insurance to protect the association and the park property upon purchase of the mobile home park. A copy of each policy of insurance in effect shall be made available for inspection by owners at reasonable times.

(9)(7) An association has the authority, without the joinder of any home owner, to modify, move, or create any easement for ingress and egress or for the purpose of utilities if the easement constitutes part of or crosses the park property upon purchase of the mobile home park. This subsection does not authorize the association to modify or move any easement created in whole or in part for the use or benefit of anyone other than the members, or crossing the property of anyone other than the members, without his or her consent or approval as required by law or the instrument creating the easement. Nothing in this subsection affects the rights of ingress or egress of any member of the association.

(10)(8) Any mobile home owners' association or group of residents of a mobile home park as defined in this chapter may conduct bingo games as provided in s. 849.0931.

(11)(9) An association organized under this chapter may offer subscriptions, for the purpose of raising the necessary funds to purchase, acquire, and operate the mobile home park, to its members or other owners of mobile homes within the park. Subscription funds collected for the purpose of purchasing the park shall be placed in an association or other escrow account prior to purchase, which funds shall be held according to the terms of the subscription agreement. The directors shall maintain accounting records according to generally accepted accounting practices and shall, upon written request by a subscriber, furnish an accounting of the subscription fund escrow account within 60 days of the purchase of the park or the ending date as provided in the subscription agreement, whichever occurs first.

 $(\underline{12})(\underline{10})$ For a period of 180 days after the date of a purchase of a mobile home park by the association, the association shall not be required to comply with the provisions of part V of chapter 718, or part V of chapter 719, or part

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<u>II of chapter 720</u>, as to mobile home owners or persons who have executed contracts to purchase mobile homes in the park.

(13)(11) The provisions of <u>subsections</u> subsection (4) and (7) shall not apply to records relating to subscription funds collected pursuant to subsection (11) (9).

Section 13. This act shall take effect July 1, 2015.

Approved by the Governor June 2, 2015.

Filed in Office Secretary of State June 2, 2015.