CHAPTER 2024-221

Committee Substitute for Committee Substitute for House Bill No. 1203

An act relating to homeowners' associations; amending s. 468.4334, F.S.; providing requirements for certain community association managers and community association management firms; amending s. 468.4337, F.S.; requiring certain community association managers to take a specific number of hours of continuing education biennially; amending s. 720.303, F.S.; requiring that official records of a homeowners' association be maintained for a certain number of years; requiring certain associations to post certain documents on its website or make available such documents through an application by a date certain; providing requirements for an association's website or application; requiring an association to provide certain information to parcel owners upon request; requiring an association to ensure certain information and records are not accessible on the website or application; providing that an association or its agent is not liable for the disclosure of certain information; requiring an association to adopt certain rules; providing criminal penalties; defining the term "repeatedly"; requiring an association to provide or make available subpoenaed records within a certain timeframe; requiring an association to assist in a law enforcement investigation as allowed by law; requiring that certain associations prepare audited financial statements; prohibiting associations from preparing financial statements for consecutive years; prohibiting an association and certain persons from using specified debit cards for payment of association expenses; providing a criminal penalty; defining the term "lawful obligation of the association"; requiring a detailed accounting of amounts due to the association be given to certain persons within a certain timeframe upon written request; limiting how often certain persons may request from the board a detailed accounting; providing for a waiver of outstanding fines which are more than a specified timeframe past due under certain circumstances; making technical changes; amending s. 720.3033, F.S.; providing education requirements for newly elected or appointed directors; providing requirements for the educational curriculum; requiring certain directors to complete a certain number of hours of continuing education annually; requiring the Department of Business and Professional Regulation to adopt certain rules; defining the term "kickback"; providing criminal penalties for certain actions by an officer, a director, or a manager of an association; providing that a vacancy is declared if a director or an officer is charged by information or indictment with certain crimes; making technical changes; amending s. 720.3035, F.S.; requiring an association or any architectural, construction improvement, or other such similar committee of an association to apply and enforce certain standards reasonably and equitably; prohibiting an association or certain committees of the association from enforcing or adopting certain covenants, rules, or guidelines; requiring an association or any architectural, construction

improvement, or other such similar committee of an association to provide certain written notice to a parcel owner; amending s. 720.3045, F.S.; authorizing parcel owners or their tenants to install, display, or store clotheslines and vegetable gardens under certain circumstances; conforming to a provision made by this act; amending s. 720.305, F.S.; specifying the manner in which fines, suspensions, attorney fees, and costs are determined; requiring that certain notices be provided to parcel owners and, if applicable, an occupant, a licensee, or an invitee of the parcel owner; requiring that certain hearings be held within a specified timeframe and authorizing such hearings to be held by telephone or other electronic means; prohibiting a fine or suspension from being imposed if a violation has been cured before the hearing; requiring the committee to set a hearing no later than a specified timeframe if a violation is not cured; prohibiting attorney fees and costs from being awarded against a parcel owner based on certain actions by the board before the date the fine is to be paid; prohibiting an association from levying a fine or imposing a suspension for certain actions; amending s. 720.3065, F.S.; providing criminal penalties for certain voting violations; providing applicability; making technical changes; amending s. 720.3075, F.S.; prohibiting certain homeowners' association documents from precluding property owners from taking, limiting, or requiring certain actions; amending s. 720.3085, F.S.; specifying when a lien is effective for mortgages of record; deleting provisions relating to the priority of certain liens, mortgages, or certified judgments; specifying that simple interest accrues on assessments and installments on assessments that are not paid when due; providing that assessments and installments on assessments may not accrue compound interest; amending s. 720.317, F.S.; authorizing a member to consent electronically to online voting if certain conditions are met; amending s. 720.318, F.S.; authorizing a law enforcement officer to park his or her assigned law enforcement vehicle on public roads and rights-of-way; providing an effective date.

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

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

468.4334 Professional practice standards; liability<u>: community associa-</u> tion manager requirements.—

(3) A community association manager or community association management firm that is authorized by contract to provide community association management services to a homeowners' association shall do all of the following:

(a) Attend in person at least one member meeting or board meeting of the homeowners' association annually.

(b) Provide to the members of the homeowners' association the name and contact information for each community association manager or

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representative of a community association management firm assigned to the homeowners' association, the manager's or representative's hours of availability, and a summary of the duties for which the manager or representative is responsible. The homeowners' association shall also post this information on the association's website or application required under s. 720.303(4)(b). The community association manager or community association management firm shall update the homeowners' association and its members within 14 business days after any change to such information.

(c) Provide to any member upon request a copy of the contract between the community association manager or community association management firm and the homeowners' association and include such contract with association's official records.

Section 2. Section 468.4337, Florida Statutes, is amended to read:

468.4337 Continuing education.—The department may not renew a license until the licensee submits proof that the licensee has completed the requisite hours of continuing education. No more than 10 hours of continuing education annually shall be required for renewal of a license. The number of <u>continuing education</u> hours, criteria, and course content shall be approved by the council by rule. The council may not require more than 10 hours of continuing education annually for renewal of a license. A community association manager who provides community association manager who provides community association management services to a homeowners' association that pertains specifically to homeowners' associations, 3 hours of which must relate to recordkeeping.

Section 3. Subsections (1), (4), and (5), paragraph (f) of subsection (6), and paragraphs (a) and (d) of subsection (7) of section 720.303, Florida Statutes, are amended, and subsections (13) and (14) are added to that section, to read:

720.303 Association powers and duties; meetings of board; official records; budgets; financial reporting; association funds; recalls.—

(1) POWERS AND DUTIES.—An association <u>that</u> which operates a community as defined in s. 720.301, must be operated by an association that is a Florida corporation. After October 1, 1995, the association must be incorporated and the initial governing documents must be recorded in the official records of the county in which the community is located. An association may operate more than one community. The officers and directors of an association <u>are subject to s. 617.0830 and</u> have a fiduciary relationship to the members who are served by the association. The powers and duties of an association include those set forth in this chapter and, except as expressly limited or restricted in this chapter, those set forth in the governing documents. After control of the association is obtained by members other than the developer, the association may institute, maintain, settle, or appeal actions or hearings in its name on behalf of all members concerning matters of common interest to the members, including, but not

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limited to, the common areas; roof or structural components of a building, or other improvements for which the association is responsible; mechanical, electrical, or plumbing elements serving an improvement or building for which the association is responsible; representations of the developer pertaining to any existing or proposed commonly used facility; and protesting ad valorem taxes on commonly used facilities. The association may defend actions in eminent domain or bring inverse condemnation actions. Before commencing litigation against any party in the name of the association involving amounts in controversy in excess of \$100,000, the association must obtain the affirmative approval of a majority of the voting interests at a meeting of the membership at which a quorum has been attained. This subsection does not limit any statutory or common-law right of any individual member or class of members to bring any action without participation by the association. A member does not have authority to act for the association by virtue of being a member. An association may have more than one class of members and may issue membership certificates. An association of 15 or fewer parcel owners may enforce only the requirements of those deed restrictions established prior to the purchase of each parcel upon an affected parcel owner or owners.

(4) OFFICIAL RECORDS.—

(a) The association shall maintain each of the following items, when applicable, for at least 7 years, unless the governing documents of the association require a longer period of time, which constitute the official records of the association:

<u>1.(a)</u> Copies of any plans, specifications, permits, and warranties related to improvements constructed on the common areas or other property that the association is obligated to maintain, repair, or replace.

<u>2.(b)</u> A copy of the bylaws of the association and of each amendment to the bylaws.

 $\underline{3.(c)}$ A copy of the articles of incorporation of the association and of each amendment thereto.

4.(d) A copy of the declaration of covenants and a copy of each amendment thereto.

<u>5.(e)</u> A copy of the current rules of the homeowners' association.

<u>6.(f)</u> The minutes of all meetings of the board of directors and of the members, which minutes must be retained for at least 7 years.

7.(g) A current roster of all members and their designated mailing addresses and parcel identifications. A member's designated mailing address is the member's property address, unless the member has sent written notice to the association requesting that a different mailing address be used for all required notices. The association shall also maintain the email addresses and the facsimile numbers designated by members for

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

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

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

<u>10.(j)</u> 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:

<u>a.1.</u> Accurate, itemized, and detailed records of all receipts and expenditures.

<u>b.2</u>. A current account and a periodic statement of the account for each member, designating the name and current address of each member who is obligated to pay assessments, the due date and amount of each assessment or other charge against the member, the date and amount of each payment on the account, and the balance due.

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

<u>d.4.</u> Any other records that identify, measure, record, or communicate financial information.

<u>11.(k)</u> A copy of the disclosure summary described in s. 720.401(1).

<u>12.(1)</u> Ballots, sign-in sheets, voting proxies, and all other papers and electronic records relating to voting by parcel owners, which must be maintained for at least 1 year after the date of the election, vote, or meeting.

<u>13.(m)</u> All affirmative acknowledgments made pursuant to s. 720.3085(3)(c)3.

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

(b)1. By January 1, 2025, an association that has 100 or more parcels shall post the following documents on its website or make available such documents through an application that can be downloaded on a mobile device:

a. The articles of incorporation of the association and each amendment thereto.

b. The recorded bylaws of the association and each amendment thereto.

c. The declaration of covenants and a copy of each amendment thereto.

d. The current rules of the association.

e. A list of all current executory contracts or documents to which the association is a party or under which the association or the parcel owners have an obligation or responsibility and, after bidding for the related materials, equipment, or services has closed, a list of bids received by the association within the past year.

<u>f.</u> The annual budget required by subsection (6) and any proposed budget to be considered at the annual meeting.

g. The financial report required by subsection (7) and any monthly income or expense statement to be considered at a meeting.

h. The association's current insurance policies.

i. The certification of each director as required by s. 720.3033(1)(a).

j. All contracts or transactions between the association and any director, officer, corporation, firm, or association that is not an affiliated homeowners' association or any other entity in which a director of an association is also a director or an officer and has a financial interest.

k. Any contract or document regarding a conflict of interest or possible conflict of interest as provided in ss. 468.436(2)(b)6. and 720.3033(2).

l. Notice of any scheduled meeting of members and the agenda for the meeting, as required by s. 720.306, at least 14 days before such meeting. The notice must be posted in plain view on the homepage of the website or application, or on a separate subpage of the website or application labeled "Notices" which is conspicuously visible and linked from the homepage. The association shall also post on its website or application any document to be considered and voted on by the members during the meeting or any document listed on the meeting agenda at least 7 days before the meeting

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at which such document or information within the document will be considered.

m. Notice of any board meeting, the agenda, and any other document required for such meeting as required by subsection (3), which must be posted on the website or application no later than the date required for notice under subsection (3).

2. The association's website or application must be accessible through the Internet and must contain a subpage, web portal, or other protected electronic location that is inaccessible to the general public and accessible only to parcel owners and employees of the association.

3. Upon written request by a parcel owner, the association must provide the parcel owner with a username and password and access to the protected sections of the association's website or application which contains the official documents of the association.

4. The association shall ensure that the information and records described in paragraph (5)(g), which are not allowed to be accessible to parcel owners, are not posted on the association's website or application. If protected information or information restricted from being accessible to parcel owners is included in documents that are required to be posted on the association's website or application, the association must ensure the information is redacted before posting the documents. Notwithstanding the foregoing, the association or its authorized agent is not liable for disclosing information that is protected or restricted under paragraph (5)(g) unless such disclosure was made with a knowing or intentional disregard of the protected or restricted nature of such information.

(c) The association shall adopt written rules governing the method or policy by which the official records of the association are to be retained and the time period such records must be retained pursuant to paragraph (a). Such information must be made available to the parcel owners through the association's website or application.

(5) INSPECTION AND COPYING OF RECORDS.—

(a) Unless otherwise provided by law or the governing documents of the association, the official records <u>must shall</u> be maintained within <u>this the</u> state for at least 7 years and <u>shall</u> be made available to a parcel owner for inspection or photocopying within 45 miles of the community or within the county in which the association is located within 10 business days after receipt by the board or its designee of a written request <u>from the parcel</u> <u>owner</u>. This subsection may be complied with by having a copy of the official records available for inspection or copying in the community or, at the option of the association, by making the records available to a parcel owner electronically via the 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

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

(b)(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.

 $(\underline{c})(\underline{b})$ A member who is denied access to official records is entitled to the actual damages or minimum damages for the association's willful failure to comply with this subsection. The minimum damages are to be \$50 per calendar day up to 10 days, the calculation to begin on the 11th business day after receipt of the written request.

(d) Any director or member of the board or association or a community association manager who knowingly, willfully, and repeatedly violates paragraph (a), with the intent of causing harm to the association or one or more of its members, commits a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083. For purposes of this paragraph, the term "repeatedly" means two or more violations within a 12month period.

(e) Any person who knowingly and intentionally defaces or destroys accounting records during the period in 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 created or maintained, with the intent of causing harm to the association or one or more of its members, commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

(f) 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, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(g)(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 parcel owner to demonstrate any proper purpose for the inspection, state any reason for the inspection, or limit a parcel owner's right to inspect records to less than one 8-hour business day per month. The association may impose fees to cover the costs of providing copies of the official records, including the costs of copying and the costs

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required for personnel to retrieve and copy the records if the time spent retrieving and copying the records exceeds one-half hour and if the personnel costs do not exceed \$20 per hour. Personnel costs may not be charged for records requests that result in the copying of 25 or fewer pages. The association may charge up to 25 cents per page for copies made on the association's photocopier. If the association does not have a photocopy machine available where the records are kept, or if the records requested to be copied exceed 25 pages in length, the association may have copies made by an outside duplicating service and may charge the actual cost of copying, as supported by the vendor invoice. The association shall maintain an adequate number of copies of the recorded governing documents, to ensure their availability to members and prospective members. Notwithstanding this <u>subsection paragraph</u>, the following records are not accessible to members or parcel owners:

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

2. Information obtained by an association in connection with the approval of the lease, sale, or other transfer of a parcel.

3. Information an association obtains in a gated community in connection with guests' visits to parcel owners or community residents.

4. Personnel records of association or management company employees, including, but not limited to, disciplinary, payroll, health, and insurance records. For purposes of this subparagraph, the term "personnel records" does not include written employment agreements with an association or management company employee or budgetary or financial records that indicate the compensation paid to an association or management company employee.

5. Medical records of parcel owners or community residents.

6. Social security numbers, driver license numbers, credit card numbers, electronic mailing addresses, telephone numbers, facsimile numbers, emergency contact information, any addresses for a parcel owner other than as provided for association notice requirements, and other personal identifying information of any person, excluding the person's name, parcel designation, mailing address, and property address. Notwithstanding the restrictions in this subparagraph, an association may print and distribute to parcel owners a directory containing the name, parcel address, and all telephone numbers of each parcel owner. However, an owner may exclude

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his or her telephone numbers from the directory by so requesting in writing to the association. An owner may consent in writing to the disclosure of other contact information described in this subparagraph. The association is not liable for the disclosure of information that is protected under this subparagraph if the information is included in an official record of the association and is voluntarily provided by an owner and not requested by the association.

7. Any electronic security measure that is used by the association to safeguard data, including passwords.

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

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

(h)(d) The association or its authorized agent is not required to provide a prospective purchaser or lienholder with information about the residential subdivision or the association other than information or documents required by this chapter to be made available or disclosed. The association or its authorized agent may charge a reasonable fee to the prospective purchaser or lienholder or the current parcel owner or member for providing good faith responses to requests for information by or on behalf of a prospective purchaser or lienholder, other than that required by law, if the fee does not exceed \$150 plus the reasonable cost of photocopying and any attorney fees incurred by the association in connection with the response.

(i) If an association receives a subpoena for records from a law enforcement agency, the association must provide a copy of such records or otherwise make the records available for inspection and copying to a law enforcement agency within 5 business days after receipt of the subpoena, unless otherwise specified by the law enforcement agency or subpoena. An association must assist a law enforcement agency in its investigation to the extent permissible by law.

(6) BUDGETS.—

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

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(7) FINANCIAL REPORTING.—Within 90 days after the end of the fiscal year, or annually on the date provided in the bylaws, the association shall prepare and complete, or contract with a third party for the preparation and completion of, a financial report for the preceding fiscal year. Within 21 days after the final financial report is completed by the association or received from the 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 shall, within the time limits set forth in subsection (5), provide each member with a copy of the annual financial report or a written notice that a copy of the financial report is available upon request at no charge to the member. Financial reports shall be prepared as follows:

(a) An association that meets the criteria of this paragraph shall prepare or cause to be prepared a complete set of financial statements in accordance with generally accepted accounting principles as adopted by the Board of Accountancy. The financial statements shall be based upon the association's total annual revenues, as follows:

1. An association with total annual revenues of \$150,000 or more, but less than \$300,000, shall prepare compiled financial statements.

2. An association with total annual revenues of at least \$300,000, but less than \$500,000, shall prepare reviewed financial statements.

3. An association with total annual revenues of \$500,000 or more shall prepare audited financial statements.

<u>4.</u> An association with at least 1,000 parcels shall prepare audited financial statements, notwithstanding the association's total annual revenues.

(d) If approved by a majority of the voting interests present at a properly called meeting of the association, an association may prepare or cause to be prepared:

1. A report of cash receipts and expenditures in lieu of a compiled, reviewed, or audited financial statement;

2. A report of cash receipts and expenditures or a compiled financial statement in lieu of a reviewed or audited financial statement; or

3. A report of cash receipts and expenditures, a compiled financial statement, or a reviewed financial statement in lieu of an audited financial statement.

An association may not prepare a financial statement pursuant to this paragraph for consecutive fiscal years.

(13) DEBIT CARDS.—

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(a) An association and its officers, directors, employees, and agents may not use a debit card issued in the name of the association, or billed directly to the association, for the payment of any association expenses.

(b) A person who uses a debit card issued in the name of the association, or billed directly to the association, for any expense that is not a lawful obligation of the association commits theft as provided under s. 812.014.

For the purposes of this subsection, the term "lawful obligation of the association" means an obligation that has been properly preapproved by the board and is reflected in the meeting minutes or the written budget.

(14) REQUIREMENT TO PROVIDE AN ACCOUNTING.—A parcel owner may make a written request to the board for a detailed accounting of any amounts he or she owes to the association related to the parcel, and the board shall provide such information within 15 business days after receipt of the written request. After a parcel owner makes such written request to the board, he or she may not request another detailed accounting for at least 90 calendar days. Failure by the board to respond within 15 business days to a written request for a detailed accounting constitutes a complete waiver of any outstanding fines of the person who requested such accounting which are more than 30 days past due and for which the association has not given prior written notice of the imposition of the fines.

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

720.3033 Officers and directors.—

(1)(a) Within 90 days after being elected or appointed to the board, each director shall certify in writing to the secretary of the association that he or she has read the association's declaration of covenants, articles of incorporation, bylaws, and current written rules and policies; that he or she will work to uphold such documents and policies to the best of his or her ability; and that he or she will faithfully discharge his or her fiduciary responsibility to the association's members. Within 90 days after being elected or appointed to the board, in lieu of such written certification, the newly elected or appointed director <u>must may</u> submit a certificate of having satisfactorily completed the educational curriculum administered by a <u>department-approved</u> division-approved education provider.

<u>1. The newly elected or appointed director must complete the depart-</u> <u>ment-approved education for newly elected or appointed directors within 90</u> <u>days after being elected or appointed.</u>

2. The certificate of completion is valid for a up to 4 years.

3. A director must complete the education specific to newly elected or appointed directors at least every 4 years.

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

5. In addition to the educational curriculum specific to newly elected or appointed directors:

a. A director of an association that has fewer than 2,500 parcels must complete at least 4 hours of continuing education annually.

b. A director of an association that has 2,500 parcels or more must complete at least 8 hours of continuing education annually within 1 year before or 90 days after the date of election or appointment.

(b) The written certification or educational certificate is valid for the uninterrupted tenure of the director on the board. A director who does not timely file the written certification or educational certificate is shall be suspended from the board until he or she complies with the requirement. The board may temporarily fill the vacancy during the period of suspension.

(c) The association shall retain each director's written certification or educational certificate for inspection by the members for 5 years after the director's election. However, the failure to have the written certification or educational certificate on file does not affect the validity of any board action.

(d) The department shall adopt rules to implement and administer the educational curriculum and continuing education requirements under this subsection.

(3) An officer, a director, or a manager may not solicit, offer to accept, or accept a kickback. As used in this subsection, the term "kickback" means any thing or service of value for which consideration has not been provided for an officer's, a director's, or a manager's his or her benefit or for the benefit of a member of his or her immediate family from any person providing or proposing to provide goods or services to the association. An officer, a director, or a manager who knowingly solicits, offers to accept, or accepts a any thing or service of value or kickback commits a felony of the third degree, punishable as provided in s. 775.082, 775.083, or s. 775.084, and for which consideration has not been provided for his or her own benefit or that of his or her immediate family from any person providing or proposing to provide goods or services to the association is subject to monetary damages under s. 617.0834. If the board finds that an officer or a director has violated this subsection, the board <u>must shall</u> immediately remove the officer or director from office. The vacancy shall be filled according to law until the end of the officer's or director's term of office. However, an officer, a director, or a manager may accept food to be consumed at a business meeting with a value of less than \$25 per individual or a service or good received in connection with trade fairs or education programs.

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(4)(a) A director or an officer charged by information or indictment with any of the following crimes must be removed from office <u>and a vacancy</u> <u>declared</u>:

1. Forgery of a ballot envelope or voting certificate used in a homeowners' association election as provided in s. 831.01.

2. Theft or embezzlement involving the association's funds or property as provided in s. 812.014.

3. Destruction of or the refusal to allow inspection or copying of an official record of a homeowners' association which is accessible to parcel owners within the time periods required by general law, in furtherance of any crime. Such act constitutes tampering with physical evidence as provided in s. 918.13.

4. Obstruction of justice as provided in chapter 843.

5. Any criminal violation under this chapter.

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

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

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

(b) An association or any architectural, construction improvement, or other such similar committee of an association may not enforce or adopt a covenant, rule, or guideline that:

<u>1. Limits or places requirements on the interior of a structure that is not visible from the parcel's frontage or an adjacent parcel, an adjacent common area, or a community golf course.</u>

2. Requires the review and approval of plans and specifications for a central air-conditioning, refrigeration, heating, or ventilating system by the

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association or any architectural, construction improvement, or other such similar committee of an association, if such system is not visible from the parcel's frontage, an adjacent parcel, an adjacent common area, or a community golf course and is substantially similar to a system that is approved or recommended by the association or a committee thereof.

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

(b) If the association or any architectural, construction improvement, or other such similar committee of the association should unreasonably, knowingly, and willfully infringe upon or impair the rights and privileges set forth in the declaration of covenants or other published guidelines and standards authorized by the declaration of covenants, the adversely affected parcel owner is shall be entitled to recover damages caused by such infringement or impairment, including any costs and reasonable attorney attorney's fees incurred in preserving or restoring the rights and privileges of the parcel owner set forth in the declaration of covenants or other published guidelines and standards authorized by the declaration of covenants or other published guidelines and standards authorized by the declaration of covenants.

Section 6. Section 720.3045, Florida Statutes, is amended to read:

720.3045 Installation, display, and storage of items.—Regardless of any covenants, restrictions, bylaws, rules, or requirements of an association, and unless prohibited by general law or local ordinance, an association may not restrict parcel owners or their tenants from installing, displaying, or storing any items on a parcel which are not visible from the parcel's frontage or an adjacent parcel, <u>an adjacent common area</u>, or a community golf course, including, but not limited to, artificial turf, boats, flags, <u>vegetable gardens</u>, <u>clotheslines</u>, and recreational vehicles.

Section 7. Present paragraph (e) of subsection (2) of section 720.305, Florida Statutes, is redesignated as paragraph (f) and amended, a new paragraph (e) and paragraph (g) are added to that subsection, subsection (7) is added to that section, and paragraphs (b) and (d) of subsection (2) of that section are amended, to read:

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720.305 Obligations of members; remedies at law or in equity; levy of fines and suspension of use rights.—

(2) An association may levy reasonable fines for violations of the declaration, association bylaws, or reasonable rules of the association. A fine may not exceed \$100 per violation against any member or any member's tenant, guest, or invitee for the failure of the owner of the parcel or its occupant, licensee, or invitee to comply with any provision of the declaration, the association bylaws, or reasonable rules of the association unless otherwise provided in the governing documents. A fine may be levied by the board for each day of a continuing violation, with a single notice and opportunity for hearing, except that the fine may not exceed \$1,000 in the aggregate unless otherwise provided in the governing documents. A fine of less than \$1,000 may not become a lien against a parcel. In any action to recover a fine, the prevailing party is entitled to reasonable attorney fees and costs from the nonprevailing party as determined by the court.

A fine or suspension levied by the board of administration may not be (b) imposed unless the board first provides at least 14 days' written notice of the parcel owner's right to a hearing to the parcel owner at his or her designated mailing or e-mail address in the association's official records and, if applicable, to any occupant, licensee, or invitee of the parcel owner, sought to be fined or suspended. Such and a hearing must be held within 90 days after issuance of the notice before a committee of at least three members appointed by the board who are not officers, directors, or employees of the association, or the spouse, parent, child, brother, or sister of an officer, director, or employee. The committee may hold the hearing by telephone or other electronic means. The notice must include a description of the alleged violation; the specific action required to cure such violation, if applicable; and the hearing date, and location, and access information if held by telephone or other electronic means of the hearing. A parcel owner has the right to attend a hearing by telephone or other electronic means.

(d) <u>Within 7 days</u> after the hearing, the committee shall provide written notice to the parcel owner at his or her designated mailing or e-mail address in the association's official records and, if applicable, any occupant, licensee, or invitee of the parcel owner, of the committee's findings related to the violation, including any applicable fines or suspensions that the committee approved or rejected, and how the parcel owner or any occupant, licensee, or invitee of the parcel owner may cure the violation, if applicable, or fulfill a suspension, or the date by which a fine must be paid.

(e) If a violation has been cured before the hearing or in the manner specified in the written notice required in paragraph (b) or paragraph (d), a fine or suspension may not be imposed.

 $(\underline{f})(\underline{e})$ If <u>a violation is not cured and</u> the proposed fine or suspension levied by the board is approved by the committee by a majority vote, the <u>committee</u> <u>must set a date by which the fine must be paid</u>, which date must be at least 30 days after delivery of the written notice required in paragraph (d).

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Attorney fees and costs may not be awarded against the parcel owner based on actions taken by the board before the date set for the fine to be paid.

(g) If a violation and the proposed fine or suspension levied by the board is approved by the committee and the violation is not cured or the fine is not paid per the written notice required in paragraph (d), reasonable attorney fees and costs may be awarded to the association. Attorney fees and costs may not begin to accrue until after the date noticed for payment under paragraph (d) and the time for an appeal has expired.

(7) Notwithstanding any provision to the contrary in an association's governing documents, an association may not levy a fine or impose a suspension for any of the following:

(a) Leaving garbage receptacles at the curb or end of the driveway within 24 hours before or after the designated garbage collection day or time.

(b) Leaving holiday decorations or lights on a structure or other improvement on a parcel longer than indicated in the governing documents, unless such decorations or lights are left up for longer than 1 week after the association provides written notice of the violation to the parcel owner fine payment is due 5 days after notice of the approved fine required under paragraph (d) is provided to the parcel owner and, if applicable, to any occupant, licensee, or invitee of the parcel owner. The association must provide written notice of such fine or suspension by mail or hand delivery to the parcel owner and, if applicable, to any occupant, licensee, or invitee of the parcel owner.

Section 8. Section 720.3065, Florida Statutes, is amended to read:

720.3065 Fraudulent voting activities relating to association elections; penalties.—

(1) A person who engages in Each of the following acts of is a fraudulent voting activity relating to association elections commits and constitutes a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083:

 $(\underline{a})(1)$ Willfully and falsely swearing to or affirming an oath or affirmation, or willfully procuring another person to falsely swear to or affirm an oath or affirmation, in connection with or arising out of voting activities.

(b)(2) Perpetrating or attempting to perpetrate, or aiding in the perpetration of, fraud in connection with a vote cast, to be cast, or attempted to be cast.

 $(\underline{c})(3)$ Preventing a member from voting or preventing a member from voting as he or she intended by fraudulently changing or attempting to change a ballot, ballot envelope, vote, or voting certificate of the member.

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 $(\underline{d})(4)$ Menacing, threatening, or using bribery or any other corruption to attempt, directly or indirectly, to influence, deceive, or deter a member when the member is voting.

(e)(5) Giving or promising, directly or indirectly, anything of value to another member with the intent to buy the vote of that member or another member or to corruptly influence that member or another member in casting his or her vote. This <u>paragraph</u> subsection does not apply to any food served which is to be consumed at an election rally or a meeting or to any item of nominal value which is used as an election advertisement, including a campaign message designed to be worn by a member.

 (\underline{f}) Using or threatening to use, directly or indirectly, force, violence, or intimidation or any tactic of coercion or intimidation to induce or compel a member to vote or refrain from voting in an election or on a particular ballot measure.

(2) Each of the following acts constitutes a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083:

(a) Knowingly aiding, abetting, or advising a person in the commission of a fraudulent voting activity related to association elections.

(b) Agreeing, conspiring, combining, or confederating with at least one other person to commit a fraudulent voting activity related to association elections.

(c) Having knowledge of a fraudulent voting activity related to association elections and giving any aid to the offender with intent that the offender avoid or escape detection, arrest, trial, or punishment.

This subsection does not apply to a licensed attorney giving legal advice to a client.

Section 9. Subsection (3) of section 720.3075, Florida Statutes, is amended, and paragraph (c) is added to subsection (4) of that section, to read:

720.3075 Prohibited clauses in association documents.—

(3) Homeowners' association documents, including declarations of covenants, articles of incorporation, or bylaws, may not preclude:

(a) The display of up to two portable, removable flags as described in s. 720.304(2)(a) by property owners. However, all flags must be displayed in a respectful manner consistent with the requirements for the United States flag under 36 U.S.C. chapter 10.

(b) A property owner or a tenant, a guest, or an invitee of the property owner from parking his or her personal vehicle, including a pickup truck, in the property owner's driveway, or in any other area at which the property

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owner or the property owner's tenant, guest, or invitee has a right to park as governed by state, county, and municipal regulations. The homeowners' association documents, including declarations of covenants, articles of incorporation, or bylaws, may not prohibit, regardless of any official insignia or visible designation, a property owner or a tenant, a guest, or an invitee of the property owner from parking his or her work vehicle, which is not a commercial motor vehicle as defined in s. 320.01(25), in the property owner's driveway.

(c) A property owner from inviting, hiring, or allowing entry to a contractor or worker on the owner's parcel solely because the contractor or worker is not on a preferred vendor list of the association. Additionally, homeowners' association documents may not preclude a property owner from inviting, hiring, or allowing entry to a contractor or worker on his or her parcel solely because the contractor or worker does not have a professional or an occupational license. The association may not require a contractor or worker to present or prove possession of a professional or an occupational license to be allowed entry onto a property owner's parcel.

(d) Operating a vehicle that is not a commercial motor vehicle as defined in s. 320.01(25) in conformance with state traffic laws, on public roads or rights-of-way or the property owner's parcel.

Section 10. Subsection (3) of section 720.3085, Florida Statutes, are amended to read:

720.3085 Payment for assessments; lien claims.—

(3) Assessments and installments on assessments that are not paid when due bear interest from the due date until paid at the rate provided in the declaration of covenants or the bylaws of the association, which rate may not exceed the rate allowed by law. If no rate is provided in the declaration or bylaws, <u>simple</u> interest accrues at the rate of 18 percent per year. <u>Notwithstanding the declaration or bylaws, compound interest may not</u> accrue on assessments and installments on assessments that are not paid when due.

(a) If the declaration or bylaws so provide, the association may also charge an administrative late fee not to exceed the greater of \$25 or 5 percent of the amount of each installment that is paid past the due date.

(b) Any payment received by an association and accepted shall be applied first to any interest accrued, then to any administrative late fee, then to any costs and reasonable attorney fees incurred in collection, and then to the delinquent assessment. This paragraph applies notwithstanding any restrictive endorsement, designation, or instruction placed on or accompanying a payment. A late fee is not subject to the provisions of chapter 687 and is not a fine. The foregoing is applicable notwithstanding s. 673.3111, any purported accord and satisfaction, or any restrictive endorsement,

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designation, or instruction placed on or accompanying a payment. The preceding sentence is intended to clarify existing law.

(c)1. If an association sends out an invoice for assessments or a parcel's statement of the account described in <u>s. 720.303(4)(a)10.b.</u> <u>s. 720.303(4)(j)2.</u>, the invoice for assessments or the parcel's statement of account must be delivered to the parcel owner by first-class United States mail or by electronic transmission to the parcel owner's e-mail address maintained in the association's official records.

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

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

(d) An association may not require payment of attorney fees related to a past due assessment without first delivering a written notice of late assessment to the parcel owner which specifies the amount owed the association and provides the parcel owner an opportunity to pay the amount owed without the assessment of attorney fees. The notice of late assessment must be sent by first-class United States mail to the owner at his or her last address as reflected in the association's records and, if such address is not the parcel address, must also be sent by first-class United States mail to the parcel address. Notice is deemed to have been delivered upon mailing as required by this paragraph. A rebuttable presumption that an association mailed a notice in accordance with this paragraph is established if a board member, officer, or agent of the association, or a manager licensed under part VIII of chapter 468, provides a sworn affidavit attesting to such mailing. The notice must be in substantially the following form:

NOTICE OF LATE ASSESSMENT

RE: Parcel of ...(name of association)...

The following amounts are currently due on your account to ...(name of association)..., and must be paid within 30 days after the date of this

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letter. This letter shall serve as the association's notice to proceed with further collection action against your property no sooner than 30 days after the date of this letter, unless you pay in full the amounts set forth below:

| Maintenance due(dates) | \$ |
|--------------------------|----|
| Late fee, if applicable | \$ |
| Interest through(dates)* | \$ |
| TOTAL OUTSTANDING | \$ |

*Interest accrues at the rate of percent per annum.

Section 11. Section 720.317, Florida Statutes, is amended to read:

720.317 Electronic voting.—

(1) The association may conduct elections and other membership votes through an Internet-based online voting system if a member consents, electronically or in writing, to online voting and if the following requirements are met:

(a)(1) The association provides each member with:

1.(a) A method to authenticate the member's identity to the online voting system.

2.(b) A method to confirm, at least 14 days before the voting deadline, that the member's electronic device can successfully communicate with the online voting system.

3.(c) A method that is consistent with the election and voting procedures in the association's bylaws.

(b)(2) The association uses an online voting system that is:

<u>1.(a)</u> Able to authenticate the member's identity.

2.(b) Able to authenticate the validity of each electronic vote to ensure that the vote is not altered in transit.

3.(e) Able to transmit a receipt from the online voting system to each member who casts an electronic vote.

4.(d) Able to permanently separate any authentication or identifying information from the electronic election ballot, rendering it impossible to tie an election ballot to a specific member. This <u>subparagraph</u> paragraph only applies if the association's bylaws provide for secret ballots for the election of directors.

5.(e) Able to store and keep electronic ballots accessible to election officials for recount, inspection, and review purposes.

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(2)(3) A member voting electronically pursuant to this section shall be counted as being in attendance at the meeting for purposes of determining a quorum.

(3)(4) This section applies to an association that provides for and authorizes an online voting system pursuant to this section by a board resolution. The board resolution must provide that members receive notice of the opportunity to vote through an online voting system, must establish reasonable procedures and deadlines for members to consent, <u>electronically or</u> in writing, to online voting, and must establish reasonable procedures and deadlines for members to consent. Written notice of a meeting at which the board resolution regarding online voting will be considered must be mailed, delivered, or electronically transmitted to the unit owners and posted conspicuously on the condominium property or association property at least 14 days before the meeting. Evidence of compliance with the 14-day notice requirement must be made by an affidavit executed by the person providing the notice and filed with the official records of the association.

 $(\underline{4})(\underline{5})$ A member's consent to online voting is valid until the member opts out of online voting pursuant to the procedures established by the board of administration <u>under subsection (3)</u> pursuant to subsection (4).

(5) (6) This section may apply to any matter that requires a vote of the members.

Section 12. Section 720.318, Florida Statutes, is amended to read:

720.318 First responder Law enforcement vehicles.—An association may not prohibit a <u>first responder</u> law enforcement officer, as defined in <u>s. 112.1815(1)</u> s. 943.10(1), who is a parcel owner, or who is a tenant, guest, or invitee of a parcel owner, from parking his or her assigned <u>first responder</u> law enforcement vehicle in an area where the parcel owner, or the tenant, guest, or invitee of the parcel owner, otherwise has a right to park, including on public roads or rights-of-way.

Section 13. This act shall take effect July 1, 2024.

Approved by the Governor May 31, 2024.

Filed in Office Secretary of State May 31, 2024.